

NEO - MARXISM,  
DEVELOPMENT  
AND  
UNDERDEVELOPMENT.

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"The capitalist mode of production and the social and political order concomitant with it, provided during the latter part of the eighteenth century and still more during the entire nineteenth century, a framework for a continuous and, in spite of cyclical disturbances and setbacks, momentous expansion of productivity and material welfare. The relevant facts are well known and call for no elaboration. Yet this material (and cultural) progress was not only spotty in time but most unevenly distributed in space. It was confined to the Western world; and did not affect even all of this territorially and demographically relatively small sector of the inhabited globe. Germany and Austria, Britain and France, some smaller countries in Western Europe and the United States and Canada occupied places in the neighbourhood of the sun. The vast expanses and the multitude of inhabitants of Eastern Europe, Spain, Portugal, Italy and the Balkans, Latin America and Asia, not to speak of Africa, remained in the deep shadow of backwardness and squalor, of stagnation and misery".

(Paul Baran, 'On the Political Economy of Backwardness' in Rhodes, R.I. (ed), Imperialism and Underdevelopment, p.285).

## INTRODUCTION.

This thesis sets out to achieve two major objectives: firstly, it aims to describe and discuss the background to and the distinctive features of neo-Marxist theories of development and underdevelopment; and secondly, it attempts in a brief case study to demonstrate that a neo-Marxist approach can be fruitfully applied to a study of development and underdevelopment in South Africa.

By "neo-Marxism" the writer means that body of thought which, although rooted in traditional Marxism, attempts to come to terms with the relative success of Marxism in the underdeveloped world and its relative lack of success in the developed world<sup>1</sup>. In the 1840's Marx and Engels expected socialism to be established in the most "advanced" countries. This was to be followed by the emancipation of the more "backward" nations. The emancipation of Ireland, for example, was to be achieved through the victory of socialism in Britain<sup>2</sup>. But when British capitalism continued to develop, integrating the proletariat into this development, Marx and Engels turned towards the periphery, to Poland and Russia in the East and to Ireland and the United States in the West. The story of the development of neo-Marxism is the story of the socialist rise of the underdeveloped world, first in theory and then in practice.

No explicit attempt will be made here to define "development" and "underdevelopment". However, it is necessary to stress that, as indicated by the quotation from Baran at the beginning of this section, the terms "development" and "underdevelopment" in neo-Marxism are primarily economic concepts which are meaningful only when considered in relation to their opposite. Thus, very generally (and very simplistically) "development" may be described as the relative ability of a people to fulfil their economic (and, deriving from this, their sociopolitical) expectations, and "underdevelopment" as the relative inability to do the same<sup>3</sup>.

"But they (the Western European capitalist countries) are consummating...(their development towards socialism) not as we formerly expected. They are not consummating it through the gradual 'maturing' of socialism, but through the exploitation of some countries by others.....".

(Lenin, 'Better Fewer, but Better', in Connor, J.E. Lenin on Politics and Revolution, p.373.)

## CHAPTER ONE.

### THE BACKGROUND IN TRADITIONAL MARXISM.

Although Marx wrote only relatively brief and fragmentary passages on the non-European world, he was, particularly in his early years, hostile to what he called the "Asiatic mode of production". To be sure, on the strategic level Marx's vision was world-wide but on the cultural level it was certainly Europocentric.

Marx developed his ideas on Asian civilisation in general and on Indian civilisation in particular in two articles written in 1853 for the New York Daily Tribune: "The British Rule in India" and "The Future Results of British Rule in India". In these articles he emphasised the backwardness, isolationism, stagnation, and ossification of Indian society, and particularly of the village communities:

".....we must not forget that these idyllic village communities, inoffensive though they may appear, had always been the solid foundation of Oriental despotism, that they restrained the human mind within the smallest possible compass, making it the unresisting tool of superstition, enslaving it beneath traditional rules, depriving it of all grandeur and historical energies. We must not forget the barbarian egotism which, concentrating on some miserable patch of land, had quietly witnessed the ruin of empires, the perpetration of unspeakable cruelties, the massacre of the population of large towns, with no other consideration bestowed upon them than on natural events, itself the helpless prey of any aggressor who deigned to notice it at all. We must not forget that this undignified, stagnatory, and vegetative life, that this passive sort of existence evoked on the other part, in contradistinction, wild, aimless, unbounded forces of destruction and rendered murder itself a religious rite in Hindostan. We must not forget that these little communities were contaminated by distinctions of caste and by slavery, that they subjugated man to external circumstances, that they transformed a self-developing social state into never changing natural destiny, and thus brought about a brutalising worship of nature, exhibiting its degradation in the fact that man, the sovereign of nature, fell down on his knees in adoration of Hanuman, the monkey, and Sabbala, the cow"<sup>1</sup>.

In the preface to an early, celebrated text, A Contribution to the Critique of Political Economy, Marx described the



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"Asiatic mode of production" as the first of a succession of historical epochs in "the prehistory of human society"<sup>2</sup>:

"In broad outlines Asiatic, ancient, feudal and modern bourgeois modes of production can be designated as progressive epochs in the economic formation of society"<sup>3</sup>.

However, there remains little doubt that from 1853 onwards Marx believed that certain non-European countries were characterised by an economic and social system that was qualitatively different from any phase through which European societies had passed<sup>4</sup>. But true to his Europocentric vision of the world Marx still regarded the "Asiatic mode of production" as a very early stage in the development of humanity, dominating "at the dawn of history of all civilised races"<sup>5</sup> the socio-economic system closest to primitive tribal society and, in fact, growing directly out of primitive communism:

"Those ancient social organisms of production are, as compared with bourgeois society, extremely simple and transparent. But they are founded either on the immature development of man individually, who has not yet severed the umbilical cord that unites him with his fellow men in a primitive tribal community, or upon direct relations of subjection. They can arise and exist only when the development of the productive power of labour has not risen beyond a low stage, and when, therefore, the social relations within the sphere of material life, between man and man, and between man and Nature, are correspondingly narrow"<sup>6</sup>.

The "Asiatic mode of production" had two basic characteristics. Firstly, the economy consisted of many tiny, isolated village communities which engaged in small scale agriculture and handicrafts. These village communities were dominated by a despotic state which appropriated a part of their surplus. The state took charge of the public works, including irrigation, which were indispensable to the functioning of the communities. For Marx, the absence of private property was not an indispensable characteristic of the "Asiatic mode" since, even when he learned that private ownership of land existed in China, he still regarded China as an example of the "Asiatic mode of production"<sup>7</sup>

However, Marx regarded the introduction of private property into India by the British as one condition for modernisation and

eventual emancipation:

"The political unity of India, more consolidated, and extending farther than it ever did under the Great Moguls, was the first condition of its regeneration. That unity, imposed by the British sword, will now be strengthened and perpetuated by the electric telegraph. The native army, organised and trained by the British drill-sergeant, was the sine qua non of Indian self-emancipation, and of India ceasing to be the prey of the first foreign intruder. The free press, introduced for the first time into Asiatic society, and managed principally by the common offspring of Hindoo and Europeans, is a new and powerful agent of reconstruction. The Zemindars<sup>8</sup> and Ryotwar<sup>9</sup> themselves, abominable as they are, involve two distinct forms in private property in land - the great desideratum of Asiatic society. From the Indian natives, reluctantly and sparingly educated at Calcutta, under English superintendence, a fresh class is springing up, endowed with the requirements for government and imbued with European science. Steam has brought India into regular and rapid communication with Europe, has connected its chief ports with those of the whole south-eastern ocean, and has revindicated it from the isolated position which was the prime law of its stagnation. The day is not far distant when, by a combination of railways and steam vessels, the distance between England and India, measured by time, will be shortened to eight days, and when that once fabulous country will thus be actually annexed to the Western world"<sup>10</sup>.

Thus, waxing eloquent as a technological determinist, Marx implies that India could only have emerged from her stagnation through western intervention, thus condemning in advance any attempt by peoples under the "Asiatic mode" to modernise while retaining their own personalities. Marx did not deny the human potential of the Indians - he believed that they were capable of developing a dynamic civilisation - ('...the Hindoos ....possess particular aptitude for accommodating themselves to entirely new labour')<sup>11</sup> - but he did believe that they could realise their potentiality only if they became "Europeanised". It was an inevitable and necessary development that less developed countries be brought under the temporary domination of those which had reached a more advanced economic stage. Thus, in the preface to the first edition of Capital, Marx wrote: "The country that is more developed industrially only shows to the less developed the image of its own future"<sup>12</sup>.

But Marx answered in a rather facile way the moral question of

Britain's right to India. India's social organisation and her inability to project a strong, centralised government, Marx wrote, laid her open to foreign invasions and domination:

"India.....could not escape the fate of being conquered, and the whole of her past history.....is the history of the successive conquests she has undergone..... The question, therefore, is not whether the English had a right to conquer India, but whether we are to prefer India conquered by the Turk, by the Persian, by the Russian, to India conquered by the Briton"<sup>13</sup>.

Marx undoubtedly prefers industrial, liberal and bourgeois Britain to underdeveloped Russia, Turkey or Persia, because Britain's level of economic development guarantees the integration of India into the world market and the universalisation of European culture.<sup>14</sup> As indicated above, Marx was convinced that industrialisation would end the social stagnation of traditional Indian society.

Lichtheim believes that although Marx in the 1850's emphasised "the progressive role of Western capitalism in disrupting Oriental stagnation", by the time he came to write Capital "he was less certain that traditional society embodies no positive factors"<sup>15</sup>. Lichtheim continues:

"At any rate, it may be said that by the 1860's his attitude had become ambivalent. We now find him remarking on the stability of the ancient village communities, in a manner suggesting that he saw some genuine virtue in their peculiar mode of life.... In 1847 the bourgeoisie still gained some plaudits for battering down the Chinese walls of barbarism; by 1867 even the 'Asiatic mode' comes in for favourable comment, at any rate so far as the village community is concerned: it is valued as a bulwark against social disintegration"<sup>16</sup>.

Marx's attitude towards the "Asiatic mode of production" may indeed have become ambivalent, but this did not alter his ideas about the historical necessity of colonialism. For Marx, the historical necessity of colonialism is the geographical dimension of capitalism's capacity for universality. In fact, capitalism is largely a result of European contact with the rest of the world; it did not develop in isolated, self-contained societies. "Capitalist production", says Marx, "does not exist at all without foreign commerce"<sup>17</sup>. Before capitalism became dominant in certain European countries, foreign

trade was promoted by merchant capital:

"There is no doubt - and it is precisely this fact which has led to wholly erroneous conceptions - that in the 16th and 17th centuries the great revolutions, which took place in commerce with the geographical discoveries and speeded the development of merchant's capital, constitute one of the principal elements in furthering the transition from feudal to capitalist mode of production. The sudden expansion of the world-market, the multiplication of circulating commodities, the competitive zeal of the European nations to possess themselves of the products of Asia and the treasures of America, and the colonial system - all contributed materially toward destroying the feudal fetters on production"<sup>18</sup>.

Capitalist society, in turn, creates certain needs which can be satisfied only by a universal market. A global unity in the modes of production and style of life emerges from this, developed by the expansion of capitalist European civilisation. Marx believed that the uniqueness of Western civilisation lay in this capacity for universalisation which no other human society had hitherto developed. This is Marx's conception of the civilising role of the bourgeoisie which draws the non-European world into its sphere of action:

"The need of a constantly expanding market for its products chases the bourgeoisie over the whole surface of the globe. It must nestle everywhere, settle everywhere, establish connections everywhere.

The bourgeoisie has through its exploitation of the world-market given a cosmopolitan character to production and consumption in every country..... All old-established national industries have been destroyed or are daily being destroyed. They are dislodged by new industries, whose introduction becomes a life and death question for all civilised nations, by industries that no longer work up indigenous raw material, but raw material drawn from the remotest zones; industries whose products are consumed, not only at home, but in every quarter of the globe. In place of the old wants, satisfied by the productions of the country, we find new wants, requiring for their satisfaction the products of distant lands and climes. In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal inter-dependence of nations. And as in material, so also in intellectual production. The intellectual creations of individual nations become common property. National one-sidedness and narrow-mindedness become more and more impossible, and from the numerous national and local literatures, there arises a world literature.

The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarian, nations into civilisation. The cheap prices of its commodities are the heavy artillery with which it batters down all Chinese walls, with which it forces the barbarians' intensely obstinate hatred of foreigners to capitulate. It compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilisation into their midst, i.e., to become bourgeois themselves. In one word, it creates a world after its own image"<sup>19</sup>.

Thus, on the one hand, Marx displays his own Europocentricity while, on the other, he lashes out at the bourgeoisie for creating "a world after its own image".

Contradictory elements also characterise Marx's ideas on the nature of the capitalist impact on the non-European world. At first capitalism was a one-way process of spoliation and coercion, crucial for the primitive accumulation<sup>20</sup> which would transform commercial into industrial capitalism: "...the misery inflicted by the British on Hindostan is of an essentially different and infinitely more intensive kind than all Hindostan had to suffer before"<sup>21</sup>, and, : "The profound hypocrisy and inherent barbarism of bourgeois civilisation lies unveiled before our eyes, turning from its home, where it assumes respectable forms, to the colonies, where it goes naked"<sup>22</sup>.

However, when European capitalism was transformed in this manner, it became interested in "developing" its colonies:

"The ruling classes of Great Britain have had, till now, but an accidental, transitory and exceptional interest in the progress of India. The aristocracy wanted to conquer it, the moneyocracy to plunder it, and the millocracy to undersell it. But now the tables are turned. The millocracy have discovered that the transformation of India into a reproductive country has become of vital importance to them, and that, to that end, it is necessary, above all, to gift her with means of irrigation and of internal communication. They intend now drawing a net of railways over India. And they will do it. The results must be inappreciable"<sup>23</sup>.

Moreover, the dialectical vicissitudes of European colonialism gave rise to a dependency relationship between coloniser and colonised; the colonisers became dependent on the development



and well-being of their colonies.

In The German Ideology

Marx wrote:

"Big industry universalised competition..... established means of communication and the modern world market, subordinated trade to itself, transformed all capital into industrial capital and thus produced the rapid circulation....and centralisation of capital. By universal competition it forced all individuals to strain their energy to the utmost.... It produced world history for the first time, insofar as it made all civilised nations and every individual member of them dependent for the satisfaction of their wants on the whole world, thus destroying the former natural exclusiveness of separate nations"<sup>24</sup>,

and in the Communist Manifesto:

"The bourgeoisie has subjected the country to the rule of the towns. It has created enormous cities, has greatly increased the urban population as compared with the rural, and has thus rescued a considerable part of the population from the idiocy of rural life. Just as it has made the country dependent on the towns, so it has made barbarian and semi-barbarian countries dependent on civilised ones, nations of peasants on nations of bourgeois, the East on the West"<sup>25</sup>.

And of course Marx was well aware of the fundamental tendency of capitalism to generate both extreme wealth and poverty. As early as 1846 Marx pointed out that the rising standard of living of the British worker was achieved at the expense of the extremely low wages paid in India<sup>26</sup>. Although Marx lived before the late nineteenth century colonial expansion, he was aware that colonial capitalism was not only part of the total "process" of capitalism but also a relation of unequal partners, one of whom developed at the expense of the other. Ireland, wrote Marx, "has been stunted in its development by the English invasion and thrown centuries back..... By consistent oppression (the Irish) have been artificially converted into an utterly impoverished nation"<sup>27</sup>, and on India: "The Indians will not reap the fruits of the new elements of society scattered among them by the British bourgeoisie....till the Hindoos.....shall have grown strong enough to throw off the English yoke altogether"<sup>28</sup>.

As Kemp points out, Marx had intended to devote a volume of Capital to the world market and, we may assume, to the unevenness created within the world market<sup>29</sup>. However, before his

death, Marx completed only the first volume of Capital which, together with the unfinished manuscripts making up volumes two and three, provides little more than a few essential points about this imbalance. According to Marx capitalist expansion transformed world production into commodity production. Consequently

"a new and international division of labour, a division suited to the requirements of the chief centres of modern industry springs up, and converts one part of the globe into a chiefly agricultural field of production for supplying the other part which remains a chiefly industrial field"<sup>30</sup>.

Because capitalist production increased the scale of production, industrial capitalists required new markets for their products. Therefore, new areas which became suppliers of raw materials were penetrated and colonial and colonised countries developed "in a lop-sided fashion characteristic of modern imperialism"<sup>31</sup>.

Indeed, for Marx, imperialism was the highest stage of capitalism since only universal capitalism could lay the foundations for universal communism:

"The bourgeois period of history has to create the material basis of the new world - on the one hand the universal intercourse founded upon the mutual dependency of mankind, and the means of that intercourse; on the other hand the development of the productive powers of man and the transformation of material production into a scientific domination of natural agencies. Bourgeois industry and commerce create these material conditions of a new world in the same way as geological revolutions have created the surface of the earth. When a great social revolution shall have mastered the results of the bourgeois epoch, the market of the world and the modern powers of production, and subjected them to the common control of the most advanced peoples, then only will human progress cease to resemble that hideous pagan idol, who would not drink the nectar but from the skulls of the slain"<sup>32</sup>.

Thus Marx's views on the universality of capitalism and the necessity of colonialism form the theoretical background for his theory of communism. For Marx, communism is the eventual result of this universality. Communism must also be realised universally; any national, particularistic communism is bound to fail: "Empirically, communism is only possible as the act of the dominant people 'all at once' and simultaneously, which

presupposes the universal development of productive forces and the world intercourse bound up with communism"<sup>33</sup>. (As we shall see later, this question of the universality of communism is a major point of debate among Marxists).

According to Marx, capitalism only reaches its apex when the market has reached its ultimate geographical limit. Only when capitalism reaches this apex can change be expected. In a letter to Engels in 1858 Marx expressed his anxiety about the possibility that capitalism might not realise its potentiality in the non-European world. In that case, he says, the European revolution may be "bound to be crushed in this little corner"<sup>34</sup>.

Marx's views on British rule in India clearly point to the dialectical position of capitalism as the ultimate level of alienation leading to the process of decomposition and change:

"England, it is true, in causing a social revolution in Hindostan, was actuated only by the vilest interests, and was stupid in her manner of enforcing them. But that is not the question. The question is, can mankind fulfil its destiny without a fundamental revolution in the social state of Asia? If not, whatever may have been the crimes of England she was the unconscious tool of history in bringing about that revolution"<sup>35</sup>.

Marx believed that colonialism had important implications for the domestic working class. In a letter to Engels in 1861, concerning Ireland and the English working class, he expressed the view that the English working class would not make any progress until Britain was upset by the loss of Ireland. The English working class, said Marx:

"can never do anything decisive here in England until it separates its policy with regard to Ireland in the most definite way from the policy of the ruling classes, until it not only makes common cause with the Irish, but even takes the initiative in dissolving the Union established in 1801 and replacing it by a free federal relationship. And, indeed, this must be done not as a matter of sympathy with Ireland, but as a demand made in the interests of the English proletariat. If not, the English people will remain in the leading strings of the ruling classes because it must join with them in a common front against Ireland"<sup>36</sup>.

Marx thus gave priority to action in the colony over action in



the colonising country, thereby ironically showing the way for the development of non-Eurocentric visions of social action.

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The peasantry and the national question are two aspects of Marxist thought which have become more important since Marx's death than they were in the writings of Marx himself.

It is well known that Marx did not view the peasantry very favourably. He saw them as an unusually reactionary force which in time was bound to disappear, "a fading remnant of pre-capitalist society"<sup>37</sup>. In the Communist Manifesto, originally published in 1848, Marx wrote: "The bourgeoisie has....greatly increased the urban population as compared with the rural, and has thus rescued a considerable part of the population from the idiocy of rural life"<sup>38</sup>. And in the first instalment of The Class Struggles in France, 1848-1850, written in 1850, he produced a highly unflattering characterisation of the peasantry:

"10 December 1848, was the day of the peasant insurrection.... The symbol that expressed their entry into the revolutionary movement, clumsily cunning, knavishly naïve, doltishly sublime, a calculated superstition, a pathetic burlesque, a cleverly stupid anachronism, a world-historic piece of buffoonery and an undecipherable hieroglyphic for the understanding of the civilised - this symbol bore the unmistakable physiognomy of the class that represents barbarism within civilisation"<sup>39</sup>.

However, in the following instalment of The Class Struggles Marx wrote that the peasants who had learned from experience were beginning to oppose the bourgeoisie and to ally themselves with the workers<sup>40</sup>. Expanding this view two years later in The Eighteenth Brumaire of Louis Bonaparte, Marx described how the peasantry, at first used by the bourgeoisie in its struggle against feudalism, had come to realise that its interests were not linked with those of the bourgeoisie but with those of the workers: "The interests of the peasants....are no longer.... in accord with, but in opposition to the interests of the bourgeoisie, to capital. Hence the peasants find their natural ally and leader in the urban proletariat, whose task is the overthrow of the bourgeois order"<sup>41</sup>. Not that Marx

became fond of peasants - in The Eighteenth Brumaire Marx still referred to them as "immature masses" whose isolated communities were "much as potatoes in a sack"<sup>42</sup> and whose social character displays a distinct duality:

"In so far as millions of families live under economic conditions of existence that divide their mode of life, their interests and their culture from those of other classes, and put them in hostile contrast to the latter, they form a class. In so far as there is merely a local interconnection among these small peasants, and the identity of their interests begets no unity, no national union and no political organisation, they do not form a class. They are consequently incapable of enforcing their class interest in their own name....."<sup>43</sup>.

But he continued:

"In losing hope in the Napoleonic restoration, the French peasant loses faith in his small holding, overthrows the whole state apparatus built on that small holding, and thus the proletarian revolution obtains the chorus without which, in all peasant countries, its solo becomes a swan song"<sup>44</sup>.

Although the above phrase was eliminated from the second edition of The Eighteenth Brumaire<sup>45</sup>, it is clear that Marx had doubts about his original position on the peasantry. The potentially revolutionary role attributed to the peasantry by later Marxists is foreshadowed in the work of Marx himself.

However, many of Marx's followers denied that the peasantry (which, even in many European countries, formed the majority of the population) had any revolutionary potential: in Marx against the Peasant Mitrany has shown that possible alliances with the peasantry, which may have radically altered the course of European history, were time and time again ignored. In Russia for example, where admittedly Marxists had to fight Narodnik (populist) idealisation of the peasantry (e.g. Tolstoy, Pestel, Herzen), Plekhanov described them as "not a class but a notion"<sup>46</sup> and "non-existent historically speaking"<sup>47</sup>, and Kritsman described them as "a petit bourgeois mass"<sup>48</sup>. Gorky scathingly calls the Russian peasantry "half-savage, stupid, heavy people"<sup>49</sup>, and says of him that he is "filled with the feeling of indifference, killing his ability to think, to remember his past, to work out his ideas from experience"<sup>50</sup>,

and in whom the burden of heavy labour together with insignificant results has deepened "the instinct of property, making him unresponsive to those views which place at the root of sinfulness of that very instinct"<sup>51</sup>. He continues:

"I say this from a strong conviction, based on experience, that the whole of the Russian intelligentsia for almost an entire century courageously tried to lift on to its feet the heavy Russian people lazily, carelessly, incapably slumped on its land - the entire intelligentsia is the victim of the historical backwardness of the people, which managed to live unbelievably wretchedly on a land of fairytale richness"<sup>52</sup>.

Trotsky too had notoriously little faith in peasants. In 1928 he wrote: "The Chinese peasantry is even less capable of playing a leading role than the Russian"<sup>53</sup>.

However, it remains true that although the 1917 revolution was largely an urban industrial phenomenon, it was only with the extension of class warfare into the villages, and the civil war that transformed the urban revolution into a national revolution. At first the Bolsheviks thought they could manipulate the peasants for their own ends but they soon realised that Soviet power in the villages was weak and that traditional communal institutions were in effective command. In the "Great Debate" that followed it soon became evident to all factions in the debate that the peasantry was to play an indispensable role. As Nove points out:

"All took for granted the necessity of industrialisation and were under no illusions concerning the limitations of individual peasant agriculture. Peasant co-operation and collectivisation were regarded by all as desirable aims. The difference lay in tempos, methods, the assessment of dangers, the strategy to be followed in pursuit of aims very largely held in common. Soviet historians are fond of contrasting the policies of the majority ('the party') with the negative, defeatist, anti-industrialising pro-peasant policies of various oppositions. Such a picture is a most distorted one"<sup>54</sup>.

Industrialisation proceeded at the expense of the peasantry which therefore became a non-benefiting object of development for the subject of development, the proletariat.

Preobrazhensky's theory of "primitive socialist accumulation" illustrates this process<sup>55</sup>. He acquired his concept of

"primitive socialist accumulation" from the theory of "primitive capital accumulation" which Marx formulated with the use of British models<sup>56</sup>. Marx said that capital was accumulated through colonial exploitation, the expropriation of the peasantry, the enclosure of agricultural land, and the Highland clearances in Scotland. Capital accumulated in these ways was invested in industrial development. Applying Marx's analysis to the USSR Preobrazhensky pointed out that there were no colonies and that the peasants could not be expropriated. In any case, he wrote,

"As regards colonial plundering, a socialist State carrying out a policy of equality between nationalities and voluntary entry by them into one kind or another of union of nations, repudiates on principle all the forcible methods of capital in this sphere. This source of primitive accumulation is closed to it from the very start and for ever"<sup>57</sup>.

Yet the necessary socialist accumulation had to come from somewhere since it was necessary not only to finance industrialisation but also to expand the socialist sector of the economy at the expense of the private sector. It was clear that the necessary resources could not be raised mainly in the socialist sector since, firstly, this sector was too small, and secondly, it would have been politically dangerous for the sacrifices to be borne by the working class employed by nationalised industries. Preobrazhensky realised therefore that resources would have to arise from the private sector, the major part of which were peasants. But he also realised that the necessary capital would not be provided by voluntary savings since the wealthier peasants were unlikely to lend sufficient funds to the government. It would therefore have to be obtained by a heavy taxation of the private sector. Although Preobrazhensky emphasised the conflict between socialist and capitalist elements, i.e. between the forces of the market and those of the socialist state expanding the socialist sectors, he claimed that "the alienation in favour of socialism of part of the surplus product of all the pre-socialist economic forms" is "quite different" from primitive capital accumulation<sup>58</sup>. But, apart from the ends implied, just how these two forms of primitive accumulation are "quite different" is not clear.

Engels was concerned to show how the isolation of exploited peasant communities ('the peasants...without sufficient land, oppressed

by taxation and sucked dry by usurers,<sup>59</sup>) formed a "natural basis for Oriental Despotism."<sup>60</sup>:

"The Russian peasant lives and has his being only in his village community; the rest of the world exists for him only in so far as it interferes with his village community.... Such a complete isolation of the individual communities from one another, which creates throughout the country similar, but the very opposite of common, interests, is the natural basis for Oriental despotism, and from India to Russia this form of society, wherever it prevailed, has always produced it and always found its complement in it"<sup>61</sup>.

Engels thus reiterates Marx's assertion that the peasantry is a class "in" itself, but not a class "for" itself.

Lenin was one of the very few early Marxists who attributed a principle role to the peasants:

"....In Asia there yet remains a bourgeoisie capable of representing sincere, militant and consistent democracy....

The main representative, or main social support of this Asian bourgeoisie which is still capable of historically progressive action, is the peasant"<sup>62</sup>.

However, Lenin continued to assume that it would be the European proletariat that would play the major role in world revolution.

Let us now turn to the "national question". Unlike Lenin and other 20th century Marxists, Marx and Engels did not give blanket approval to all national independence movements. In fact they had no consistent theory on this point. But at the time of the 1848 revolution, when they wrote on the national question in Eastern Europe, the basic criterion by which they judged national movements was their opposition to Russia. They opposed any national movement that might aid Tsarist Russia which they regarded as a bastion of reaction in Europe, and they supported any national movement that threatened the Russian Empire.

Engels understood that even "positive" national liberation movements had problematic implications. In Poland, foreign domination had given rise to an alliance of all classes except the aristocracy which had allied with the foreign power. Oppressors and oppressed were therefore in alliance against the foreign oppressor:



"The partition of Poland was realised thanks to the alliance of the great feudal aristocracy in Poland with the three powers carrying out the partition....

The consequence, already in the case of the first partition, was quite naturally to bring about an alliance of all the other classes, that is of the nobility, of the urban bourgeoisie, and in part of the peasants, directed both against the oppressors of Poland and against the great aristocracy of the country itself. The constitution of 1791 shows how well the Poles understood, even at that time, that their independence from foreign powers was indissolubly linked to the overthrow of the aristocracy and to agrarian reform within the country"<sup>63</sup>.

This clearly foreshadows the host of theories (written from the 1920's onwards) concerning the alliance of bourgeoisie, proletariat and peasantry in dependent countries.

Marx's early followers were divided in their opinions on the national question. Rosa Luxemburg in the name of internationalism consistently ignored national issues. She was convinced that the domination of the imperialist powers over the non-European world was so great that any initiative on the part of the oppressed nations was completely meaningless. Salvation, she said, could come only from the European proletariat. Her totally Europocentric position is very evident in her pamphlet The Crisis of Social Democracy:

"It is....the workers of the advanced capitalist countries who have the historic mission to carry out the socialist transformation. Only from Europe, only from the oldest capitalist nations, can the signal come, when the hour is ripe, for the social revolution that will free humanity. Only the English, French, Belgian, German, Russian and Italian workers, together, can lead the army of the exploited and enslaved of the five continents. They alone, when the time comes, can call capitalism to account for centuries of crimes committed against all the primitive peoples, and for its work of destruction around the globe; they alone can exact revenge"<sup>64</sup>.

Luxemburg was not alone in her Europocentricity. Virtually all the leading figures of the Second International, in spite of their disagreements as to what policy should be followed vis-à-vis the colonies, at the beginning of the twentieth century believed that the colonial oppressed were completely impotent<sup>65</sup>.

Lenin thought otherwise. In a 1914 pamphlet called On the Right of Nations to Self-Determination he gave his views on the potentially progressive role of national demands. Firstly, the structure of the independent nation state had always been conducive to transforming feudalism into capitalism, thus opening the way to further transformations. Secondly, the recognition of the right of subject people to secede would create better relations for the future when, hopefully, they would come to understand the advantages of a wider market. And thirdly, if the dominant people were to become emancipated, the recognition of the right to self-determination of oppressed peoples was indispensable: "The century-long history of the repression of the movements of the oppressed nations, and the systematic propaganda in favour of such repression by the upper classes, have created in the Great Russian people prejudices, etc., which are enormous obstacles to the cause of its own liberty"<sup>66</sup>.

In the Theses on Socialist Revolution and the Right of Nations to Self-Determination (1916) Lenin developed the ideas set out in his 1914 pamphlet. This time he placed the ideas in a colonial perspective and not merely in the perspective of the problem as it existed in Europe:

"The proletariat cannot but fight against the use of force to make oppressed nations remain within the boundaries of a particular state; in other words it must fight for the right to self-determination. The proletariat must demand free political separation, for the colonies and for the nations oppressed by 'its own nation'.

....The socialists of the oppressed nations, on the other hand, should in particular defend and bring about complete and unconditional unity, of the workers of the oppressed nation and those of the oppressor nation. Without this it is impossible to defend the independent policy of the proletariat and its class solidarity with the proletariat of other countries in face of all the various manoeuvres, betrayals and tricks of the bourgeoisie. For the bourgeoisie of the oppressed nations persistently distorts national-liberation slogans in order to deceive the workers; ....it uses these slogans in order to enter into reactionary agreements with the bourgeoisie of the dominant nations...."<sup>67</sup>.

However, Lenin continued to believe that the European proletariat would play the essential role in world revolution. It was the victory of the European workers which would "liberate

both the peoples of Europe and the peoples of Asia"<sup>68</sup>.

\* \* \* \*

Lenin's work on the theory of imperialism has also made an important contribution to the development of neo-Marxist thought. As Lenin's work in this sphere was to some extent influenced by the "social-liberal"<sup>69</sup> theorist Hobson, we shall attempt to describe briefly the pertinent aspects of Hobson's theory.

Hobson supported an underconsumptionist theory of imperialism. He said that imperialism resulted from the unequal distribution of wealth in capitalist society which set limits to the home market and therefore necessitated a search for external markets. This search led to the annexation, political control and domination of colonies. However, a correct internal policy could facilitate the absorption of the surplus production thereby doing away with the need for artificially-created external outlets, and he therefore advocated a non-imperialist capitalism, developed by the increasing of the consumption of the working class.

Hobson paid some attention to the impact of capitalist colonisation on what he called "the lower races". The interests of the colonised people, he said, have either been completely ignored or relegated to secondary importance, and the claim that they were being prepared for self-government was an empty one: "Nowhere...is the theory of white government as a trust for civilisation made valid; nowhere is there any provision to secure the predominance of the interests, either of the world at large or of the governed people, over those of the encroaching nation, or more commonly a section of that nation"<sup>70</sup>. No disinterested attempt had been made to develop their economies. They had been subjected to the "economic exploitation of White colonists who will use them as 'live tools' and their lands as repositories of mining or other profitable treasure"<sup>71</sup>. For this reason the primary need of the colonisers has been to obtain labour. This need was at first met by the slave trade and then by the transformation of subsistence-farming peasants or pastoralists into wage-



labourers. The result of this has been a rising demand for products from the colonised areas and an outflow of capital from the colonial countries. In some places the need for labour has been met by forced labour, by expropriation of land, or by taxation. Colonial governments have thus supported white settlers in their quest for labour by destroying the tribal system and transforming its members into a working class. Through their manipulation of the means of violence the white ruling class became "distinctively parasitic; they live upon these natives, their chief work being that of organising native labour for their support"<sup>72</sup>.

Although Hobson was clearly concerned that the colonisers were benefitting at the expense of the colonised, his attitude is paternalistic. Given certain safeguards, he accepted the progressive mission of the West - ('The analogy furnished by the education of a child is, *prima facie* a sound one, and is not invalidated by the dangerous abuses to which it is exposed in practice'<sup>73</sup>). He admitted that in this process of "educating" the people of the colonies "force is itself no remedy, coercion is not education, but it may be a prior condition to the operation of educative forces"<sup>74</sup>. However, Hobson displayed a certain respect for Indian and Chinese civilisation and criticised the destructive role of the Western countries in the East, thereby exposing many imperialist claims about the civilising mission of the bourgeoisie.

Lenin drew on Hobson's theory for much of his data and some of his ideas (e.g. the parasitic nature of imperialism). As mentioned above Hobson advocated a non-imperialist capitalism based on increased consumption of the working class. Lenin however, because he accepted the basic propositions of Marxian economics, firmly rejected this idea. In any case, said Lenin, capitalism would not be capitalism if it increased the consumption capacity of the local working class:

"It goes without saying that if capitalism could develop agriculture, which today lags far behind industry everywhere, if it could raise the standard of living of the masses, which are poverty stricken and half-starved everywhere in spite of the amazing advance in technical knowledge, then there could be

no talk of a surplus capital... But then capitalism would not be capitalism; for unevenness of development and semi-starvation of the masses are fundamental, inevitable conditions and prerequisites of this method of production. As long as capitalism remains capitalism, surplus capital will never be used for the purpose of raising the standard of living of the masses, for this would mean a decrease in profits for the capitalists; instead it will be used to increase profits by exporting the capital abroad, to backward countries"<sup>75</sup>.

Following Hilferding<sup>76</sup>, Lenin related imperialism to the growth of monopoly. Capitalist imperialism, said Lenin, was an economic result of the replacement of free competition by monopoly which led to the monopolistic control of other territories by the advanced capitalist nations. The "essential features" of imperialism were as follows:

"The concentration of production and capital, developed to such a high stage that it has created monopolies which play a decisive role in economic life.

The merging of bank capital with industrial capital and the creation, on the basis of this 'finance capital' of a financial oligarchy.

The export of capital, as distinguished from the export of commodities, becomes of particularly great importance.

International monopoly combines of capitalists are formed which divide up the world.

The territorial division of the world by the greatest capitalist powers is completed"<sup>77</sup>.

In their quest for raw materials, markets, and areas for investment, the advanced capitalist nations thus brought into their sphere of influence the less developed areas of the world. Violation of national independence and nation oppression followed.

For Lenin, therefore, imperialism was a "parasitic or decaying capitalism"<sup>78</sup>, "the highest stage of capitalism".

"....But they (the Western European capitalist countries) are consummating it (their development towards socialism) not as we formerly expected. They are not consummating it through the gradual 'maturing' of socialism, but through the exploitation of some countries by others....."<sup>79</sup>.

Lenin's theory of monopoly and his emphasis on the unevenness of development as a source of contradictions for capitalism once it had become a world system are important parts of his contribution to neo-Marxist thought on development and underdevelopment.

Lenin saw capitalist development as proceeding inevitably through a pattern of antagonisms and contradictions. The history of colonial expansion was for him an expression of this pattern. "The vast diversity of economic and political conditions, the extreme disparity in the rate of growth of the various countries, the frenzied struggles among the imperialist states would inevitably sharpen contradictions which would seek a solution in force. Capitalism itself gradually provides the vanquished with the ways and means for their emancipation"<sup>80</sup>.

Unlike many earlier Marxists, Lenin attributed an independent weight and role to the colonised world in the movement toward socialism<sup>81</sup>. He demonstrated that the spread of capitalism involving as it does the export of capital, destroys the traditional pattern of group relations and culture and, simultaneously, puts these societies in the forefront of the class struggle - this because Western workers had to some extent been "bought off" by their rising standard of living which was made possible by colonial exploitation<sup>82</sup>. Lenin believed that the economic advancement of the capitalist states was accompanied by a high degree of anti-capitalist political consciousness characterised by a three-sided class struggle involving traditional rule, the bourgeoisie, and the proletariat.

During World War I Lenin came to regard the "bourgeois revolution" as only an intermediary and short-lived stage in the political liberation of the underdeveloped nations. The "uninterrupted revolution" would ensure the rapid transition from feudalism into socialism. In Russia, national emancipation required the breaking of associations with imperialist powers through the seizure of power by the proletariat. Lenin continued to believe that it would be necessary to obtain assistance from the West, but in 1923 he made his famous remark that: "Ultimately, the outcome of the struggle will be settled by the fact that Russia, India,

China, etc., constitute the vast majority of the world's population"<sup>83</sup>. This is the basis and justification of what contemporary Marxist-Leninists call the "non-capitalist mode of development" led by the working class, and the basis of the rejection of the western experience of industrialisation as being irrelevant to the needs of countries now in an under-developed state. We shall discuss later, in greater detail, the call for political revolution led by the working class as a first necessary step for the industrial development of under-developed countries - an idea which is echoed in the works of neo-Marxists such as Baran and Frank.

Another of Lenin's ideas - the famous notion of a "labour aristocracy" - prefigured the later revolution in Marxism<sup>84</sup>. Summing up the debates of the 1907 Stuttgart Congress where the idea of a "socialist colonial policy" was supported by some delegates, Lenin noted that: ".....as a result of an expensive colonial policy the European proletariat has partly reached a situation where it is not its work that maintains the whole of society but that of practically enslaved natives of the colonies"<sup>85</sup>.

Trotsky, before Lenin, had also attributed an independent role to the underdeveloped world by claiming that the proletariat could herald the dawn of a socialist order without there having been a period of domination by the bourgeoisie. Trotsky was, in fact, the first to break radically with Marx's conception of revolutionary historical development. As mentioned above, Marx believed that just as the feudal stage in the development of society had been marked by the domination of the nobility, so the capitalist stage would be characterised by the domination of the bourgeoisie. Likewise the bourgeois democratic revolution which involved the transition from feudalism to capitalism would be carried out by the bourgeoisie. In the bourgeois democratic revolution the proletariat would support the bourgeoisie until the time came to terminate the capitalist system with a socialist workers' revolution. In 1905 Trotsky broke with this conception. He postulated his theory of the "permanent revolution", (or 'law of combined development'), according to which the bourgeois democratic

revolution would take place under the leadership of the proletariat and which would immediately transform the democratic revolution into a socialist revolution. It was not necessary to pass through the "classical" cycle of western European progress. "Savages throw away their bows and arrows for rifles all at once, without travelling the road which lay between those two weapons in the past"<sup>86</sup>. It is because of Trotsky's theory of "permanent revolution" that Trotskyites have been prominent among contemporary Marxists who have given a greater weight to the underdeveloped world.

Another traditional Marxist whose work is of particular importance to neo-Marxist theories of development and underdevelopment is Antonioni Gramsci (1891-1937). Gramsci recognised the backwardness of Italy and the accompanying weakness of its social order as providing possibilities for a revolutionary movement. He was the first Italian Marxist leader to emphasise the agrarian question in general and the question of the Mezzogiorno (the underdeveloped South) in particular. His description of the relationship between the North and the South of Italy is of immense importance for neo-Marxists such as Baran, Frank, Griffin, and others:

"The poverty of the Mezzogiorno was historically 'inexplicable' for the popular masses in the North; they did not understand that unity had not taken place on the basis of equality, but as hegemony of the North over the Mezzogiorno in a territorial version of the town-country relationship - in other words, that the North concretely was an 'octopus' which enriched itself at the expense of the South, and that its economic-industrial increment was in direct proportion to the impoverishment of the economy and the agriculture of the South. The ordinary man from Northern Italy thought rather that, if the Mezzogiorno made no progress after having been liberated from the fetters which the Bourbon regime placed in the way of modern development, this meant that the causes of the poverty were not external, to be sought in objective economic and political conditions, but internal, innate in the population of the South - and this all the more since there was a deeply rooted belief in the great natural wealth of the terrain. There only remained one explanation - the organic incapacity of the inhabitants, their barbarity, their biological inferiority. These already widespread opinions (Neapolitan 'vagabondry' is a legend which goes back a long way) were consolidated and actually theorised by the sociologists of positivism..., acquiring the strength of 'scientific truth' in a



period of superstition about science. Thus a polemic arose between North and South on the subject of race, and about the superiority or inferiority of North and South..... Meanwhile, in the North there persisted the belief that the Mezzogiorno was a 'ball and chain' for Italy, the conviction that the modern industrial civilisation of Northern Italy would have made greater progress without this 'ball and chain' etc."<sup>87</sup>.

Gramsci insisted that the proletarian revolution was bound up with these problems and, therefore, with the peasantry. The revolutionary impulse, he says, originates in the cities but depends on support from the rural areas.

Few other figures can find extended treatment here but it is important to note that colonial affiliates of the Comintern did question the secondary position to which the colonies were relegated by Marxist theory and Comintern practice. At the Fourth Congress of the Communist International (1922), the Indian delegate, M.N. Roy, opposed Lenin's conception of the revolutionary potential of the colonial bourgeoisie and stressed the necessity for support from the Western proletariat:

"Although in....(the Eastern) countries the bourgeoisie leads the struggle, it does not direct the struggle against feudalism. It carries on the struggle of a weak, underdeveloped and oppressed bourgeoisie against a powerful and highly developed bourgeoisie.....

.....Consequently, the nationalist revolutionary movement, in these countries where millions and millions of human beings aspire to national liberation, and want to free themselves economically and politically from imperialism, ....cannot achieve victory under the leadership of the bourgeoisie.....

....Side by side with the united front of the workers of the Western countries, we must organise an anti-colonialist united front in the colonial and semi-colonial countries.... The organisation of this front....cannot be carried out under the leadership of the bourgeois parties. We must therefore develop our parties in these countries, in order to take charge of the leadership and the organisation of this front"<sup>88</sup>.

A letter from the Communists of Sidi-bel-Abbès supported Roy's position:

"The communist section of Sidi-bel-Abbès considers that the liberation of the native proletariat of North Africa will be the fruit only of the revolution in the mother country, and that the

best way in which to 'aid....every liberating movement' in our colony is not to 'abandon' this colony,.....but on the contrary to remain there, on condition that the Communist Party... multiplies its propaganda in favour of trade-unionism, communism and the co-operative system, in order to create in the whole country a state of mind and a social framework which will perhaps be able, when communism triumphs in France, to facilitate its establishment in North Africa"<sup>89</sup>.

Two years later, at the Fifth Congress, Nguyen Ai Quoc (Ho Chi Minh) accused the congress of neglecting the colonies which, he claimed, were actually the centre of the revolution:

"Forgive me for being so bold, Comrades, but I feel obliged to tell you that, on hearing the speeches of comrades from the metropolitan countries, I gained the impression that they all wanted to kill the serpent by beating its tail. All of you know that at present the poison and vital capacity of the imperialist viper are concentrated in the colonies rather than in the metropolitan countries. The colonies provide raw materials for its factories. The colonies supply soldiers for its army. The colonies will serve it as a mainstay of counter-revolution. And yet you, in speaking of the revolution, neglect the colonies!"<sup>90</sup>.

However, a different strategy was advocated by the Tartar communist Sultan Galiev who, originally Assistant Commissar for Nationalities under Stalin, was expelled from the Communist party in 1923 for "nationalist deviations". He expressed the view that there was a fundamental difference between the proletariats of the West and of the East and that the two were irreconcilable. "The Muslim people", he said, "are proletarian nations", and, "the national movement of the Muslim countries has the character of a socialist revolution"<sup>91</sup>. Sultan Galiev distinguished between the Western proletariat as a class and the Eastern nations which, because of the economic relations with the metropolises, were entirely proletarian. He believed that a proletarian revolution in the West would not alter the relations of domination the West had with the East for, he said, the Western proletariat would mechanically inherit the attitude of the class which it had, insofar as national questions were concerned. The only solution for the East was to substitute for these relations of domination a dictatorship of the proletarian nations of the East over the former colonial powers of the West<sup>92</sup>.

The roots of neo-Marxist thought on development and underdevelopment are to be found in traditional Marxism. However, certain elements have been rejected while others have been accepted. The relationship between traditional Marxist and neo-Marxist thought on this topic will be discussed in Chapter II.



"Come, then, comrades, the European game has finally ended; we must find something different. We today can do everything, so long as we do not imitate Europe, so long as we are not obsessed by the desire to catch up with Europe...

....Two centuries ago, a former European colony decided to catch up with Europe. It succeeded so well that the United States of America became a monster, in which the taints, the sickness and the inhumanity of Europe have grown to appalling dimensions"

(Frantz Fanon, The Wretched of the Earth, pp312/3)

## CHAPTER TWO.

### NEO-MARXISM - ITS DISTINCTIVE FEATURES.

Neo-Marxist approaches to development and underdevelopment do not have their roots only in traditional Marxism; they were also formulated as a reaction against conventional western theories of development. The overriding criticism levelled at "modernisation" theories is that they are ideological - not in the sense of being policy-prescriptive (indeed, neo-Marxist theories are policy-prescriptive) but in the Marxist sense of being normative concepts which in a mystified way serve the interests of some class. Bourgeois<sup>1</sup> development theory purports to be a value-free science; von der Mehden and Young, for example, claim to have formulated a non-ideological "science of development"<sup>2</sup>. Neo-Marxists, however, have exposed "modernisation" as an essentially evaluative term, intentionally or otherwise, reflecting western prejudices and serving western economic and foreign policy interests.

"Modernisation" theorists tend to assume that each "under-developed" society, an enclosed, self-contained entity, evolves through various stages en route to the "modern" society, propelled by some entelechy called the "will to be modern"<sup>3</sup>. "Modernisation" is the process of evolution from one polarity, a "traditional" or "undeveloped" state, to the other polarity, the "modern" or "developed" state. The model for modern society is of course identical with the industrialised, democratised, bureaucratised, and rationalised American and Western European societies of the 1950's - "Western complex systems"<sup>4</sup>, as Almond and Coleman define them. One bourgeois theorist has explicitly defined modernisation as: "the process of change towards those types of social, economic and political systems that have developed in Western Europe and North America from the seventeenth century to the nineteenth and have then spread to other European countries and in the nineteenth and twentieth centuries to the South American, Asian and African continents"<sup>5</sup>. It is argued by "modernisation" theorists that the polarities of "traditional" and "modern" societies

are "empirical generalisations"<sup>6</sup>. However, Brett clearly points out that they are "deliberately and systematically selective". The image of a "modern" society, he says, is based on "experience in the functioning democracies" but "leaves out or treats as aberrations societies like Nazi Germany, which were undoubtedly Western and complex but hardly conformed to supposedly universal modern norms in much of their public and private behaviour.... And Western complex systems must certainly number Auschwitz, Hiroshima and Vietnam among their achievements"<sup>7</sup>. In addition, given bourgeois definitions of "modern" and "traditional" it can be shown that behaviour in "modern" societies is as much determined by "traditional" as "modern" norms, and vice versa<sup>8</sup>. The polarities, therefore, represent ideological beliefs about how people ought to behave. They are not derived from an observation of empirical reality, but from a "logically prior value system which determines what the observer is to see and count and what he is to ignore"<sup>9</sup>.

These then are the philosophical implications of conventional western theories of development, the details of which have been cogently criticised by numerous Marxist as well as non-Marxist scholars<sup>10</sup>. Frank, for example, in his seminal paper on The Sociology of Development and Underdevelopment of Sociology<sup>1</sup> clearly demonstrates that three major "modernisation" approaches - the "ideal typical index approach", "the diffusionist approach", and the "psychological approach"<sup>12</sup> - are all empirically inaccurate, theoretically inadequate, and policywise ineffectual. His final comment on conventional western theories of development is as follows:

"To render the real significance and value of this highly developed conventional wisdom still clearer, we may characterise it....by the caricature of the twin mythological supports of the society that produced it....; Santa Claus and Sigmund Freud... How are the people in the undeveloped countries to achieve economic development? By waiting for Christmas and then accepting the gift of diffusion from Santa Claus in the North. What gift does Santa Claus bear for the peoples of the underdeveloped countries? The latest message from Sigmund Freud. If only the people of the mythically characterised underdeveloped world will, as we did, learn to worship at the altar of these twin gods, they too will change culturally and develop

economically"<sup>13</sup>.

It is not our intention to add to this body of critical literature<sup>14</sup>. However, it is important to point out that within neo-Marxism's negative, critical role lie its positive, distinctive features which, of course, attempt to correct the errors made by "modernisation" theorists.

As mentioned above conventional theorists see each "undeveloped" or "traditional" society as an isolated self-contained entity. Following Marx, the neo-Marxists insist that world systems must be understood as a totality, a simple integrated unit. As Lukács points out with regard to orthodox Marxism: "Only in....(the) context which sees the isolated facts of social life as aspects of the historical process and integrates them in a totality, can knowledge of the facts hope to become knowledge of reality"<sup>15</sup>. Baran, who may be regarded as the founding father of the neo-Marxist school, stresses the importance of, perceiving the capitalist world as an integrated unit. Highly developed capitalist societies, he says, : "represent....only one aspect of the general landscape of contemporary capitalism. Its other and no less significant component is the large segment of the 'free world' that is usually referred to as underdeveloped"<sup>16</sup>.

Writing on contemporary imperialism, Magdoff notes that: "if we want to understand what capitalist imperialism is all about, we had better pay attention to the mechanics and dynamics of capitalism as it really is, i.e. capitalism as a world system"<sup>17</sup>, and: "the separate parts must be understood in the context of their interrelations with the social organism of world monopoly capitalism. Further, it is important to recognise the essential unity of the economics, politics, militarism, and culture of this social organism"<sup>18</sup>.

Pierre Jallée writes that: "An analysis of present day capitalism should not be limited to the features it exhibits in highly industrialised countries. Such a narrow view ignores the fact that imperialism is, more than ever, a world-wide system nourishing the prosperity of the metropolitan countries with

tribute pillaged from the Third World"<sup>19</sup>.

Following Baran, Frank sets up his schema of a chain of metropolis-satellite relations: "...a whole chain of constellations of metropolises and satellites relates all parts of the whole system...."<sup>20</sup>. The chain ranges from the "world metropolis of which all are satellites"<sup>21</sup> and "which is no one's satellite"<sup>22</sup> to the landless labourer who is no one's metropolis. The intermediate units (nations, capital cities, regional and local centres, large land-owners and merchants, small peasants and tenants) function simultaneously as metropolises and satellites:

"....each of the satellites.....serves as an instrument to suck capital or economic surplus out of its own satellites and to channel part of this surplus to the world metropolis of which all are satellites. Moreover, each national and local metropolis serves to impose and maintain the monopolistic structure and exploitative relationship of this system....as long as it serves the interests of the metropolises which take advantage of this global, national, and local structure to promote their own development and the enrichment of their ruling classes"<sup>23</sup>.

Frank's model of metropolis-satellite relations may be, as de Kadt claims it is, "disturbingly oversimplified"<sup>24</sup>. However, insofar as it heightens our awareness of the unity of modern history, it is valuable.

This brings us to another distinguishing feature of neo-Marxism - its emphasis on the specific historical experiences of those societies which are today underdeveloped. This contrasts radically with the approach taken by conventional western theorists who label all underdeveloped societies as "traditional" or "undeveloped". They assume that underdevelopment is an original, unmediated state, a stage of history through which the now developed countries passed long ago, a state of backwardness prior to capitalism. They blame the persistence of underdevelopment on the fundamental, inherent weakness of the "traditional" economy and the inability of the "traditional" community to adapt that economy or to forsake it in favour of the market economy. Thus, much development theory is a variation of the theme that "the poor are poor because they are lazy". Conventional development theory fails to recognise that the position of the underdeveloped countries cannot



validly be compared with that of pre-industrial Europe, and that these countries are underdeveloped precisely because the metropolitan countries are developed.

Neo-Marxism, on the other hand, by stressing the actual, historical experiences of particular underdeveloped countries, is able to combat these simplistic assumptions. Neo-Marxism emphasises the role played by the now developed countries in underdeveloping what are now the underdeveloped countries. As such, they have their roots in traditional Marxist theories of imperialism which emphasise the parasitic and destructive nature of colonialism. As mentioned earlier, Marx was well aware of colonialism as a relation of unequal partners, one of whom develops at the expense of the other (or others), a theme which was expanded and developed by Luxemburg, Lenin, and others. Among the neo-Marxists, Frank is particularly explicit about the creation by developed societies of underdevelopment. He claims that since most studies of development and underdevelopment do not take account of the historical relations between the metropolis and its economic colonies they fail to account for the simultaneous generation of development and underdevelopment<sup>25</sup>.

However, by stressing the role of historical research, Frank is able to demonstrate that:

".....underdevelopment is not original or traditional and....neither the past nor present of the underdeveloped countries resembles in any important respect the past of the now developed countries. The now developed countries were never underdeveloped, though they may have been undeveloped. ....contemporary underdevelopment is in large part the historical product of past and continuing economic and other relations between the satellite underdeveloped and the now developed metropolitan countries"<sup>26</sup>.

Moreover, in his historical studies of Chile and Brazil, Frank has shown that the satellites experience their greatest economic development if and when their ties to their metropolis are weakest. This thesis is totally opposed to the conventional thesis that development in underdeveloped countries follows from contact with and diffusion from the developed metropolitan countries. Following from this Frank asserts that if the metropolis experiences a crisis or set of crises,<sup>27</sup>

when it recovers, it re-establishes ties with its satellites and fully re-incorporates them into its system. The metropolis may also expand to incorporate into its system previously isolated areas, choking off or channelling into unpromising directions the previous developments of these regions. Another of Frank's major theses, derived from his studies of Chilean and Brazilian history, is that the regions which are today the most underdeveloped are the ones which had the closest ties to the metropolis in the past. These regions were the greatest exporters of primary products to and the largest sources of capital for the metropolis. The Brazilian Nordeste, for example, now an "ultra-underdeveloped" region, was at one time characterised by "super-satellite development" - "...development occurred where there was poverty, and underdevelopment occurred where there was wealth"<sup>28</sup>. This thesis also contradicts the conventional thesis that the roots of a region's underdevelopment lie in its isolation from the mainstream of world economic activities.

Thus, for Frank, underdevelopment is largely the historical product of relations between the now underdeveloped satellite and the developed metropolis. He claims, moreover, that these relations were an essential part of the structure and evolution of the capitalist system on a world scale: "... (the) present underdevelopment of Latin America is the result of centuries-long participation in the process of world capitalist development"<sup>29</sup>, ".....underdevelopment was and still is generated by the very same historical process which also generated economic development: the development of capitalism itself"<sup>30</sup>. However, Laclau argues that Frank's analysis of the development of underdevelopment as being integrally related to the development of capitalism itself is inaccurate<sup>31</sup>. Laclau argues that Frank's interpretation depends too much on the process of exchange and too little on the study of the underlying mode of production which up to recent times can often be shown to be pre-capitalist. Laclau points out that the structural conditions of capitalism did not exist in sixteenth century Europe when, according to Frank, the process of capitalist domination started in Latin America<sup>32</sup>.

"Free" labour was by no means the rule at that stage:

"The existence of a powerful commercial class which greatly enlarged its stock of capital through overseas trade did not in the least modify the decisive fact that this capital was accumulated by the absorption of an economic surplus produced through labour relationships very different from those of free labour"<sup>33</sup>.

Proceeding from here, Laclau attacks Frank's assertion that the socio-economic complexes of Latin America have been capitalist since the Conquest period:

"In regions with dense indigenous populations... the direct producers were not despoiled of their ownership of the means of production, while extra-economic coercion to maximise various systems of labour service...was progressively intensified. In the plantations of the West Indies, the economy was based on a mode of production constituted by slave labour, while in the mining areas there developed disguised forms of slavery and other types of forced labour which bore not the slightest resemblance to the formation of a capitalist proletariat. Only in the Pampas of Argentina, in Uruguay, and in other similar small areas where no indigenous population had previously existed - or where it had been very scarce and was rapidly wiped out - did settlement assume capitalist forms from the beginning, which were then accentuated by the massive immigration of the 19th century. But these regions were very remote from the dominant pattern in Latin America..."<sup>34</sup>.

However, Laclau does not seek to support the political strategies criticised by Frank. He intends rather to develop a precise and scientific account of Latin American social formations which can inform a Marxist analysis of contemporary imperialism.

The neo-Marxists' emphasis on actual historical experiences has pinpointed the inadequacies of the "dual society" thesis. This thesis regards societies and economies as being composed of two broad and largely independent sectors - "capitalist" and "non-capitalist", or "modern" and "traditional". The two separate sectors are held to be radically different. The "modern" is receptive to change, is market-orientated, and follows profit maximising behaviour, whereas the "traditional" is stagnant, produces for subsistence, has little market contact, and does not follow profit maximising behaviour. According to W.A. Lewis and others, the relations between the two sectors consist of the provision by the "traditional"



sector of an unlimited supply of labour to the advanced sector. Frank shows that the dualist model underestimates the degree of accumulation in peasant enterprises and the degree of commercialisation possible in rural areas. Moreover, the dualist model distorts by oversimplification the relations which exist between the two sectors it posits<sup>35</sup>. Frank believes that the dualist model is thus static and a-historical:

"that the entire 'dual' society thesis is false and that the policy recommendations to which it leads will, if acted upon, serve only to intensify and perpetuate the very conditions of underdevelopment they are supposedly designed to remedy"<sup>36</sup>.

In his critique of Frank's theory, Laclau has written that:

"Frank's criticism of the dualist thesis and his consequent insistence that Latin American societies have always constituted a complex internally structured by, and fully integrated into market economy, are indisputably convincing and correct"<sup>37</sup>.

And Arrighi, in his critique of Frank's theory, has written that Frank's thesis "that capitalism has often developed through, rather than in opposition to, non-capitalist relations of production" is an assumption that "by and large.....(is) validated also by.....(his) research on some African experiences ....."<sup>38</sup>.

The neo-Marxist emphasis on actual historical experiences, opposed as it is to the conventional historical category of "traditionalism", has thus once and for all destroyed the illusion of the "dual" society.

Other neo-Marxists such as Magdoff, Jallée, and Emmanuel have emphasised the study of actual historical experiences in their studies of imperialism (or of 'modern', or 'new', imperialism)<sup>39</sup>. But before going on to discuss neo-Marxist interpretations of imperialism, it is necessary to look at the attention paid by neo-Marxists to economics. On this score there is no disagreement with non-Marxists. For them too, development is primarily economic, but although both Marxists and non-Marxists emphasise economics, their perspectives are entirely different. This difference in perspective is particularly evident in their respective attitudes towards "aid". Non-Marxists tend to see aid as a levelling mechanism designed to reduce international inequalities by disturbing the free play of market forces.<sup>40</sup> Marxists, on the other hand, see

aid as a "surplus-sucking" mechanism, intensifying stagnation and repression in underdeveloped countries. Pierre Jallée, for example, claims that aid to the Third World, apart from being a kind of alibi, a way of cleansing guilty consciences concerning the exploitation of the Third World, is "both a pittance and a mirage"<sup>41</sup>. He demonstrates that the total aid "given" by the developed capitalist world to the underdeveloped nations amounts to a "not very impressive total"<sup>42</sup>; that the proclaimed targets are "niggardly"<sup>43</sup> and will probably not be reached; and that even the most optimistic projections would be incapable of ensuring the "take-off"<sup>44</sup> of the economies of the underdeveloped countries. He also points to the ideological motivations behind "giving" aid, quoting President Kennedy as having said that the purpose of foreign aid is

"to help the underdeveloped countries of Asia, Africa and Latin America to modernize themselves, and to safeguard their liberty and freedom of choice; to make possible the creation of new links between the Atlantic Community and the Third World, and to defend the frontiers of the free world everywhere"<sup>45</sup>.

Thus aid becomes a means of bolstering the capitalist system<sup>46</sup>. C.P. Hensman supports Jallée's outlook while emphasising the role played by military-industrial complexes in "aid-giving":

"Advanced electronic devices, chemical and biological weapons, nuclear weapons and other means of terror and destruction are being prepared, at immense cost, for use against..... the 'Communist menace'.... The 'advanced' technology of the industrialised countries is not there to aid them (the peoples of the Third World) in the struggle for development but to crush and terrorise them. The well-remunerated and expert skills of scientists, industrial workers and propagandists are mobilised against them. While the rhetoric in the 'aid'-giving nations speaks of heart-felt concern and altruistic service, the reality is a deadly war against the poor involving invasion, occupation, torture and devastation."<sup>47</sup>.

But to get back to our discussion of imperialism and the study of history - Magdoff contrasts "speculative' hypotheses about the necessity of imperialism" with "the actual course of history" and compliments those "who dig deeply to find the roots, and the modes of operation of imperialism"<sup>48</sup>.

As indicated by Magdoff, the connotations of the term

"imperialism"<sup>49</sup> in neo-Marxist thought have shifted considerably from traditional Marxism. Although, as we have shown, Lenin and Trotsky attributed an independent weight and role to the colonised world, they were primarily concerned with Europe and particularly, with inter-imperialist rivalry, rather than with the effects of imperialism on its victims. Neo-Marxism, however, is primarily concerned with the exact historical nature of imperialism as it affects those upon whom it is imposed - a shift of emphasis which of course coincides with the emergence of the dependent world as a force in its own right.

However, the major concerns of traditional Marxist theories of imperialism are carried into the neo-Marxist realm. Like traditional Marxists before him Magdoff argues that the underdeveloped countries are of crucial importance to the West. To the question: "Is imperialism really necessary?", he replies that imperialism is so intertwined with the history and resulting structure of modern capitalist society that this question is in the same category as, for example, "Is it necessary for the United States to keep Texas and New Mexico?", or: "Is Manhattan necessary for the United States?"<sup>50</sup>. He points out that the reactions of imperialist states to the decisions of the Soviet Union and China to break their trade and investment ties with the West support his argument that the underdeveloped countries are of crucial importance to the West<sup>51</sup>. The advanced capitalist countries adjusted to these decisions and have made considerable economic progress, but, says Magdoff,

"these adjustments have in no way lessened the intensity of the counter-revolutionary thrust of imperialist states, by wars and other means, directed (a) to preventing a further narrowing down of the territory in which they can freely trade and invest, and (b) to reconquering the space lost to the imperialist world. Nor has this counter-revolutionary activity, which began during the first days of the Bolshevik Revolution, diminished since the United States took the reins as leader and organiser of the capitalist world"<sup>52</sup>.

Defining imperialism as: "the internal practices and relations of the capitalist world during the distinct stage of mature capitalism that begins in the last quarter of the nineteenth century"<sup>53</sup>, Magdoff notes that the involvement of private

enterprises in underdeveloped areas is generally a response to three motives: (1) to obtain and maintain larger markets, (2) to obtain higher profits by taking advantage of lower production costs, and (3) to achieve control over sources of food and raw materials. He stresses the role of underdeveloped countries as sources of raw materials but notes that the drive for the control of foreign resources extends beyond dependency: "... (this) can be seen in the way U.S. corporations sought, fought for, and obtained exploration and development rights for oil, copper, and other minerals when the United States was blessed with a surplus of these minerals"<sup>54</sup>. Profit alone, says Magdoff, has been a sufficient motive for initiating many concerns in the underdeveloped world, but "... the investment in raw materials by monopolistic-type firms has added a new dimension - a dimension which goes a long way to explaining what the era of modern imperialism is all about"<sup>55</sup>. In fact, the creation of monopolistic-type firms, with their concentration of economic power, became possible in many cases precisely because of the control wielded by these firms over sources of raw materials.

Pierre Jallée analyzes imperialism from a perspective similar to that of Magdoff. In The Pillage of the Third World (which has been called a 'supplement' to Lenin's Imperialism, the Highest Stage of Capitalism<sup>56</sup>) Jallée demonstrates that in spite of the termination of old colonial ties, the metropolitan areas of the world continue to exploit the underdeveloped areas. In fact, "... in the very peak period of political decolonisation imperialist exploitation not only persists but is becoming harsher"<sup>57</sup>. The international division of labour increases; the industrialised capitalist countries produce and export an increasing volume of manufactured goods while the underdeveloped countries produce and export an increasing volume of primary products. Terms of trade continue to be unfavourable for the underdeveloped world and the purpose of investing private capital in the underdeveloped world remains the extraction of the highest possible rate of profit, mainly by gaining control over access to raw materials. Thus, writes Jallée, "The sun of imperialism still glares down on the most impoverished half of the planet, rather more fiercely than before"<sup>58</sup>.

Jallée pays attention to two aspects of imperialism which were emphasised by Lenin but which, says Jallée, are no longer characteristics of imperialism in the 1950's and 1960's (and, it seems, the 1970's). As we have seen, Lenin attributes particular importance to the export of capital to underdeveloped countries. Jallée, however, notes that from the 1950's private investments flowing from the advanced countries to the Third World have tended to stagnate or grow very slowly, while the movement of private capital among the advanced countries has increased rapidly. Briefly, the reasons for this are firstly that enterprises in the Third World do not necessarily yield a higher rate of profit than those in the industrialised countries (skilled labour and advanced technology in the industrialised countries give rise to high productivity), and secondly political instability in the underdeveloped world causes 'uncertainty' among investors.. Jallée emphasises the fact that investment by advanced capitalist countries in the Third World mostly relate to raw materials. In this respect says Jallée (agreeing with Magdoff) the Third World is of crucial importance to the advanced capitalist countries because the latter cannot do without the raw materials found in the Third World. But more importantly, he points out that imperialism is more concerned with trading with the Third World than investing capital in it:

"....imperialism cannot do without many of the basic products and raw materials of the underdeveloped countries.... Neither can imperialism do without its sales to the Third World which provide almost one quarter of its total exports. ....such investments as are still made in the secondary industries of the Third World are determined solely by market considerations. If it were always possible to keep a safe hold on markets already conquered and acquire new ones, solely with the products of its own undertakings in the metropolitan countries, imperialism would operate in this way and neglect the industries of the Third World even more than it does at present"<sup>59</sup>.

The second aspect of Lenin's theory which Jallée says no longer holds is Lenin's assertion that "international monopoly combines of capitalists are formed which divide up the world"<sup>60</sup>. Jallée disputes this assertion by pointing out that although preferential zones still exist and although there are still special links between the former metropolitan countries and the formally decolonised world, the relationships implied in these



arrangements are declining in importance:

"There is hardly a newly independent state that does not want to diversify its trade channels and most have met with definite, if modest, success in this field.... During the imperialist period it was extremely unusual for any enterprise which was not French to be set up in any territory of the French Empire. Only French enterprises were established under the protection of the tricolored flag. Today the contrary frequently occurs in the franc zone. It is also common for international capital to unite in a single investment. When Simca and Fiat combine with local capital to set up a very artificial assembly plant in Morocco, what state is the power behind the scene? As far as I can tell, two or three were involved, as well as Morocco itself"<sup>61</sup>.

Jallée by no means rejects Lenin's theory of imperialism. He clearly acknowledges his debt to Lenin: "Far from claiming to revise or relegate Lenin to the past, I prefer to stand on his ground as far as I am able, and to follow his line of thought. It is in this spirit that I have laid bare certain new features of imperialism in the 1960's...."<sup>62</sup>.

Another neo-Marxist, Arghiri Emmanuel agrees with Magdoff and Jallée that the underdeveloped countries are of crucial importance to the West<sup>63</sup>. However, whereas Magdoff stresses the role of the underdeveloped countries as suppliers of raw materials, Emmanuel, like Jallée, emphasises their role as markets for finished products. As we have seen in the traditional Hobson-Leninist model of imperialism, the export of surplus capital is an essential element. Emmanuel criticises this notion of capital export, but from a standpoint somewhat different from that of Jallée. Emmanuel points out that Lenin attempts to verify the historical truth of his theory by identifying the foreign assets of England, France and Germany in the period 1870-1914 with the export of capital. But, says Emmanuel, "This identification is unacceptable.... A foreign investment can be increased by the ploughing back of profits without there being any need for further export of capital. It can even increase simultaneously with the net import of capital towards the holding country"<sup>64</sup>. It follows that:

"....when it is a question of verifying a theory of imperialism based on the internal accumulation of capital,.....things change radically. Because,



between a situation where capital formed internally is invested abroad and one where on the contrary part of the profits made abroad are reimported and consumed internally, the remainder being reinvested, there is all the difference between producing more than one can consume and consuming more than one actually produces"<sup>65</sup>.

Therefore, it is not the export of capital which caused the underdevelopment of undeveloped countries, but rather the interruption of these exports of capital and the reversal of the flow of capital. This reversal occurs when the paying of earlier debts exceeds the influx of capital and in addition, when the little surplus produced in the underdeveloped country is exported and invested in developed countries. The result of this was a considerable rise in the standards of living of the masses in the developed countries - a fact first foreseen by Engels. The Western proletariat, "sharing" in the exploitation of the underdeveloped world still benefits from "super-wages" because of the vast productivity and wage rate differences between developed and underdeveloped countries. Impoverishment has therefore shifted to the global level which significantly alters the lines of revolutionary conflict.

For many neo-Marxists the result of seeing the international economic situation in this perspective is that they pay much more attention than traditional Marxists to the nation and to nationalism. Thus, Li Ta-chao, one of the founders of Chinese Marxism, formulated his chauvinistic<sup>66</sup> revolutionary nationalism. As we have seen, Leninist theory had already given a certain legitimacy to the exploitation of national sentiments. Li Ta-chao interpreted Lenin in such a way as to give priority to the national factor over the class factor. In a 1922 article he emphasised the role of the oppressed peoples side by side with the oppressed classes, in the world revolution, concluding that China should sympathise with the Russian revolution:

"Those who are subjected to capitalist oppression are, at the class level, the proletariat, and at the international level, the weak and small nations. For the past century, the Chinese people have been subjected to the trampling and the depredations of the forces of the aggressive imperialism armed by the developed capitalism of Europe and America, and it has fallen into the state of those who are weak and vanquished. The toiling popular masses of our country, suffering from two or several kinds

of oppression, have suddenly heard the call of the October Revolution: 'Overthrow world capitalism', 'Overthrow world imperialism'. In our ears this voice resounds...in an exceptionally significant way.

This October Revolution, which is of great historical significance, must be commemorated not only by the toiling popular masses, but by all people of the national states which, like China, are victims of oppression. They must all become profoundly conscious of their own responsibilities; they must, without hesitating, quickly join together in a 'united democratic front', create a popular government, and resist international capitalism, for this also constitutes part of the work of the world revolution...."67.

And in 1924 Li made a speech on the 'racial question' in which he gives such priority to the nation over the class that he presents the class struggle on a world scale as a racial war:

"....they ('white men') consider that the coloured peoples belong to the lower classes, and they themselves hold the higher positions. Consequently, on the international scale the racial problem becomes a class problem. That is to say, antagonistic classes have taken form in the world. It can be foreseen with certitude that in the future, racial struggles will inevitably break out and these struggles will take the form of wars between white and coloured men and will merge with the 'class struggle'!"68

In an article written for the New York Daily Tribune in 1853, Marx had suggested that revolutionary upheavals in Asia could have important repercussions in Europe<sup>69</sup>. Li Ta-chao found in this article further confirmation of the fact that China would have a pre-eminent role in the world revolution. He was far more concerned with the national than with the class character of the Chinese revolution:

"Having read this article of Marx, we should understand very clearly that, in theory and in practice, the Chinese national revolution is a part of the world revolution....(the) oppression of China by English imperialism created the Chinese revolution, and then the Chinese revolution replies to England...and through England it replies to Europe, thus creating the chain reaction leading from the English revolution to the European revolution, and finally even to the world revolution"70.

Another neo-Marxist, Frantz Fanon, pays considerable attention to national consciousness and national culture, but unlike Li Ta-chao and other Chinese communist intellectuals Fanon

strongly disapproves of chauvinistic nationalism. In a statement made at the Second Congress of Black Artists and Writers in Rome, 1959, Fanon stressed the reciprocal bases of national culture and liberation movements, emphasising the political nature of the national culture of a colonial society and, from this assumption, demonstrating the relationship of liberation struggles to the national cultures. For Fanon the central concern was the political and cultural liberation of all colonised people. He rejected the idea of international class solidarity of the oppressed against the oppressors, when this was dogmatically expressed. However, he agreed that it was the common political struggle against colonialism that should predominate. This struggle, he maintained, must not degenerate into nationalist chauvinism. Nationalist excesses and the reverse racism it involved, said Fanon, were a type of colonial victory, indicating that the still unfree colonised needed to combat the coloniser by imitating him. As opposed to nationalist chauvinism Fanon sought a nationalist pride, or national consciousness, that took account of the unique historical experience of a people without becoming chauvinistic nationalism. This national phase, "a consciousness of oneself", was a phase that had to be experienced before one could attain international consciousness:<sup>71</sup> "The consciousness of self is not the closing of a door to communication. Philosophic thought teaches us, on the contrary, that it is its guarantee. National consciousness, which is not nationalism, is the only thing that will give us an international dimension"<sup>72</sup>. In order to achieve this national consciousness, or nationalist pride, said Fanon, it is necessary to examine the past of the colonised country:

"The claim to a national culture in the past does not only rehabilitate that nation and serve as a justification for the hope of a future national culture. In the sphere of psycho-affective equilibrium it is responsible for an important change in the native. Perhaps we have not sufficiently demonstrated that colonialism is not simply content to impose its rule upon the present and the future of a dominated country. Colonialism is not satisfied with holding a people in its grip and emptying the native's brain of all form and content. By a kind of perverted logic, it turns to the past of the

oppressed people, and distorts, disfigures and destroys it. This work of devaluing pre-colonial history takes on a dialectical significance today"<sup>73</sup>.

The examination of a nation's past would help to break the myth, perpetuated by the coloniser, that all Blacks form an undifferentiated mass - that there were no African nations or African peoples but only Blacks. For Fanon, the concept of negritude was a confirmation of this myth:

"The concept of negritude....was the emotional if not the logical antithesis of that insult which the white man flung at humanity. This rush of negritude against the white man's contempt showed itself in certain spheres to be the one idea capable of lifting interdictions and anathemas. Because the New Guinean or Kenyan intellectuals found themselves above all up against a general ostracism and delivered to the combined contempt of their overlords, their reaction was to sing praises in admiration of each other. The unconditional affirmation of African culture has succeeded the unconditional affirmation of European culture"<sup>74</sup>.

Insofar as negritude was only a phase in the liberation of black men in colonial society, it was meaningful, but when it was conceived of as a basis for national consciousness, it was not: "The historical necessity in which the men of African culture find themselves to racialise their claims and to speak more of African culture than of national culture will tend to lead them up a blind alley"<sup>75</sup>. Thus, for Fanon, to speak of a single culture among all black men was a myth which denied the role of history. The only link among all black people was colonial domination where it existed. The supposition that American blacks had the same interests and concerns as Africans was absurd. Referring to the First Congress of the African Cultural Society held in Paris in 1956, where black writers from the United States and Africa were brought together, Fanon wrote:

"....little by little the American Negroes realised that the essential problems confronting them were not the same as those that confronted the African Negroes. The Negroes of Chicago only resemble the Nigerians or the Tanganyikans in so far as they were all defined in relation to the whites. But once the first comparisons had been made and subjective feelings were assuaged, the American Negroes realised that the objective problems were fundamentally heterogenous. The test cases of civil liberty whereby both whites

and blacks in America try to drive back racial discrimination have very little in common in their principles and objectives with the heroic fight of the Angolan people against the detestable Portuguese colonialism"<sup>76</sup>.

The liberation of colonised men, therefore, ultimately required a national consciousness not based on the concept of negritude. Fanon, although he sensed the dangers of nationalism, never went far enough in describing how a national consciousness could be prevented from degenerating into a chauvinistic nationalism"<sup>77</sup>.

Like Fanon, Amilcar Cabral, former leader of the PAIGC (Partido Africano da Independencia da Guiné et Cabo Verde) stressed the importance of national history and national culture in the creation of national liberation movements. Addressing the first Tricontinental Conference of the peoples of Asia, Africa and Latin America, in Havana in 1966, Cabral said:

"It is useful to recall in this Tricontinental gathering, so rich in experience and example, that however great the similarity between our various cases and however identical our enemies, national liberation and social revolution are not exportable commodities; they are, and increasingly so every day, the outcome of local and national elaboration, more or less influenced by external factors (be they favourable or unfavourable) but essentially determined and formed by the historical reality of each people, and carried to success by the overcoming or correct solution of the internal contradictions between the various categories characterising this reality"<sup>78</sup>.

For Cabral, the essential characteristic of colonialism and neo-colonialism is domination: "...the negation of the historical process of the dominated people by means of violent usurpation of the freedom of development of the national productive forces"<sup>79</sup>. What is required, therefore, is national liberation:

"....national liberation is the phenomenon in which a given socio-economic whole rejects the negation of its historical process. In other words, the national liberation of a people is the regaining of the historical personality of that people, its return to history through the destruction of the imperialist domination to which it was subjected"<sup>80</sup>.

What Cabral means by the "national productive forces" and the "return to history" of a people is somewhat confused, but he is clearly concerned with the role of national history and national culture in the emancipation of colonised men.



Thus, Cabral, Fanon and Li Ta-chao are a few of the neo-Marxists who, unlike traditional Marxists, pay considerable attention to the nation and nationalism, conceiving of "nationalism" in a much broader than usual framework. However, they do adopt the traditional stand of Marxism as a world-view whereby hitherto suppressed groups rise and assert themselves<sup>81</sup>.

This brings us to the concept of revolution. One of the chief defects of conventional "modernisation" theorists is that although they assume that "traditional" society evolves towards or into "modern" society, they fail to specify what mechanism of change facilitates this evolution from one "stage" to another. In addition, because they fail to pay sufficient attention to actual historical experiences, they do not recognise what mechanisms facilitated change in the countries they now consider to be developed. More specifically, they ignore the role of violence in the development of undeveloped societies into advanced industrialised societies. George Lichtheim does well to remind us that "history tells us that changes of this magnitude are rarely accomplished peacefully"<sup>82</sup>.

Neo-Marxist theorists of development and underdevelopment take account of the historic importance of violence and of the potential role of violence in the future. Barrington Moore, Jr., for example, focuses on the role of violence in the industrial development of England, which is generally believed to have become "modern" by peaceful means. "Notions about the peculiar British capacity to settle their political and economic differences through peaceable, fair and democratic processes", says Moore, are, "a partial truth". Moore notes that this "partial truth" is perpetuated by the conventions of historical writing which highlight the peaceful history of English industrialisation since 1750. Indeed, during the eighteenth and nineteenth centuries, English history was peaceful, especially in contrast to France, but conventional history disregards the parts played by the Puritan Revolution and the Civil War in England's industrialisation. Moore confronts the question of the connection between violence and peaceful reform<sup>83</sup> and concludes that:



"To percieve the magnitude of the Civil War's accomplishments it is necessary to step back from the details and glance forward and backward. The proclaimed principle of capitalist society is that the unrestricted use of private property for personal enrichment necessarily produces through the mechanism of this market steadily increasing wealth and welfare for society as a whole. In England this spirit eventually triumphed by 'legal' and 'peaceful' methods which, however, may have caused more real violence and suffering than the Civil War itself...."84.

Industrialisation in England meant degradation and suffering for the peasant who had become integrated into the traditional life of the village community. The fact that this violence and coercion occurred over a long period of time and occurred within the framework of law and order must not disguise the fact that massive violence was exercised by the upper classes against the lower.

Moore wonders whether, in fact, the transition to (Western, liberal) democracy requires violence. He reminds us that the English Civil War checked royal absolutism and transferred power to the big landlords who destroyed peasant society in the following two centuries. The French Revolution and the American Civil War broke the power of the landed élites, thus facilitating the creation of institutions favourable for democracy.

Moore is very much aware of the way in which his thesis challenges conventional western theories of modernisation:

"For a Western scholar to say a good word on behalf of revolutionary radicalism is not easy because it runs counter to deeply grooved mental reflexes. The assumption that gradual and piecemeal reform has demonstrated its superiority over violent revolution as a way to advance human freedom is so pervasive that even to question such an assumption seems strange...

Fairness demands recognition of the fact that the way nearly all history has been written imposes an overwhelming bias against revolutionary violence. Indeed the bias becomes horrifying as one comes to realise its depth. To equate the violence of those who resist oppression with the violence of the oppressors would be misleading enough. But there is a great deal more. From the days of Spartacus through Robespierre down to the present day, the use of force by the

oppressed against their former masters has been the object of nearly universal condemnation. Meanwhile the day-to-day repression of 'normal' society hovers dimly in the background of most history books. Even those radical historians who emphasise the injustices of prerevolutionary epochs generally concentrate on a short time span preceding the immediate outbreak. In that way, too, they may unwittingly distort the record"<sup>85</sup>.

Moore also emphasises "the costs of going without a revolution"<sup>86</sup>. In what Moore terms the "fascist route to modernisation" (which is predicated on an alliance between a weak urban bourgeoisie and politically powerful landed élite, e.g. Germany, Japan) there were no real revolutions, but many suffered as a result of fascism itself and its wars of aggression. And in the underdeveloped countries today the suffering of those who have not revolted continues<sup>87</sup>. Moore thus concludes that there are arguments in favour of revolution:

"In the Western democratic countries revolutionary violence (and other forms as well) were part of the whole historical process that made possible subsequent peaceful change. In the communist countries too, revolutionary violence has been part of the break with a repressive past and of the effort to construct a less repressive future"<sup>88</sup>.

Like Moore, Cabral emphasises the distinction between "the violence of those who resist oppression and the violence of the oppressors"<sup>89</sup>. Cabral claims that there cannot be national liberation without "the use of liberating violence by the nationalist forces" against "the criminal violence of the agents of imperialism". His ideas concerning the necessity of violence in overcoming the "permanent violence"<sup>90</sup> of imperialist domination are reinforced by his perception of history:

"There are no people on earth which, having been subjected to the imperialist yoke (colonialist or neo-colonialist), has managed to gain its independence (nominal or effective) without victims..... The past and present experiences of various peoples, the present situation of national liberation struggles in the world (especially in Vietnam, the Congo and Zimbabwe) as well as the situation of permanent violence, or at least of contradictions and upheavals, in certain countries which have gained their

independence by the so-called peaceful way, show us not only that compromises with imperialism do not work, but also that the normal way of national liberation, imposed on peoples by imperialist repression, is armed struggle"<sup>91</sup>.

However, in a revolutionary situation, violence should not only be a retort to the violence of repression, but should also seek to ensure "true national independence"<sup>92</sup>.

Fanon is more explicit about the dual function of violence<sup>93</sup>. On the one hand, he says, it is an essential element of the struggle against colonialism. On the other, violence has a cathartic effect on those who perform acts of violence.

As Fanon saw it, colonialism was built on a foundation of force. In the colony, this force remained latent if not already actual. And, of course, force acted as a threat held by the coloniser over the colonised. Fanon agreed with Cabral that true independence could only be achieved through revolutionary counter-violence because of the nature of colonialism, the vested interests of the colonial country, and the relationship of coloniser to colonised. True decolonisation thus meant the violent destruction of the colonial system.

Fanon's thesis concerning the cathartic effect of violence asserts that the colonised could only achieve real independence through participation in violent action to rid themselves individually of the colonial heritage of submission and inferiority. But it is questionable whether the violence Fanon advocated for the individual could fulfil the psychological functions he claimed.

Whatever the limitations of Fanon's theory of violence, it is evident that, together with Moore, Cabral, and others,<sup>94</sup> and unlike conventional theorists of modernisation, he clearly understood the nature and potential role of violence in social change.

Although Régis Debray is also concerned with the nature of violence, he focuses on the nature of revolution itself. He deals with the theoretical debate which has always divided the Latin American Left, viz. the debate about the nature of the

revolution to come: was it to be "bourgeois-democratic" or "socialist"? Debray seems to have overcome this theoretical impasse with his formulation that:

"....the nub of the problem lies not in the initial programme of the revolution but in its ability to resolve in practice the problem of State power before the bourgeois-democratic stage, and not after.....in South America the bourgeois-democratic stage presupposes the destruction of the bourgeois State apparatus..."<sup>95</sup>.

Military action, says Debray, must always be commanded by politics<sup>96</sup>: ".....armed struggle understood as an art....is meaningless except in the framework of a politics understood as a science"<sup>97</sup>. In Revolution in the Revolution? Debray suggests an important change in tactics - the constant creation of guerilla fronts in the rural areas of underdeveloped countries. These fronts ('focos') must be led by the revolutionary vanguards, commanded by the revolutionary élite itself. The political and military leadership must be combined into one command, indeed, into one man. In other words a unified politico-military insurrectionary force must be created in the country. The implications of this are that the standard practices of Communist parties must be abandoned.

In their formulations of revolutionary strategy, Fanon and Cabral also claim that the standard objectives of Communist parties must be abandoned. As mentioned above, they stress the role of the nation and nationalism. However, within the broad national front which they see as being necessary for liberation from colonialism or neo-colonialism certain classes play a greater role than others. As Cabral points out:

"....the horizontal structure (of colonial and neo-colonial situations), however it may differ from the native society (makes) possible the creation of a wide front of unity and struggle, which is vital to the success of the national liberation movement. But this possibility does not remove the need for a rigorous analysis of the native social structure, of the tendencies of its evolution, and for the adoption in practice of appropriate measures for ensuring true national liberation"<sup>98</sup>.

Cabral emphasises the role of the petty bourgeois intellectuals who, by virtue of their relative deprivation in the colonial structure, become originators of revolutionary ideas. However, because this group is a service class, it does not possess the

economic base to take power itself. Therefore if it is not "to betray the revolution", it must "be capable of committing suicide as a class in order to be reborn as revolutionary workers"<sup>99</sup>. To Cabral it seems that the bourgeoisie and the working class are either non-existent or not obviously militant. But the peasant masses, although they are not spontaneously revolutionary, are "the physical force of most importance in the national liberation struggle"<sup>100</sup>. (Cabral distinguishes between a 'physical' and 'revolutionary' force - a 'physical' force like the peasantry will not activate itself, but can be activated by a 'revolutionary' force). The petty bourgeois intellectuals, having been transformed into revolutionary workers, must thus release the revolutionary potential of the peasantry.

Fanon's notion of revolutionary strategy is very close to that of Cabral. Fanon sees disenchanted radical intellectuals of political parties leaving the cities and providing the peasantry with the leadership they need and the political and technical knowledge they lack. The intellectuals and the peasantry electrify the countryside but do not abandon the cities entirely. On the contrary, when the former party members return to the cities they find a new element of the population which they have hitherto ignored - the lumpen proletariat<sup>101</sup>. The lumpen proletariat play the same revolutionary role in the cities as the peasants play in the countryside. The proletariat in the colonial countries, said Fanon, is not the suppressed mass of industrial workers but the most favoured class - a small, privileged group of wage-earners who, as compared with the peasants, have much more to lose than their chains: "It cannot be too strongly stressed that in the colonial territories the proletariat is the nucleus of the colonised population which has been most pampered by the colonial regime"<sup>102</sup>. The people in this category - tram conductors, miners, dockers, interpreters, nurses and taxi-drivers - functioned as a bourgeoisie in the colonial milieu.

Thus, with regard to underdeveloped countries, Fanon, Cabral, and other neo-Marxists<sup>103</sup>, reject the revolutionary potential attributed to the proletariat by traditional Marxists. But they emphasise the revolutionary potential of the peasantry -



a change of outlook which, as proved by China, is of immense practical importance.

Apart from being agents of change, classes are the major analytical categories for neo-Marxists. Even Frank, who has been accused by Arrighi of paying too much attention to colonial relationships and too little attention to class relationships<sup>104</sup>, writes:

"The attempt to spell out the metropolitan-satellite colonial structure and the development of capitalism has led me to devote very little specific attention to its class structure and development. This does not mean that this is intended as a substitute for class analysis. On the contrary the colonial analysis is meant to complement class analysis and to discover and emphasise aspects of the class structure in these underdeveloped countries which have often remained unclear"<sup>105</sup>.

Arrighi himself has provided an excellent class analysis of the political economy of Rhodesia<sup>106</sup>. Arrighi's framework is based on the Marxist categories of economic base, class structure, and superstructure. He shows that in the 1930's the class structure was dominated by a national agrarian bourgeoisie. Institutionally, this class structure was expressed by the continuously decreasing productivity of the African peasantry, the division of the economy into largely non-competitive racial groups, and government intervention to promote economic development through industrialisation (a decreasing home demand for manufactures could not, of course, promote industrialisation). The institutional framework was, at this time, deemed to be "unstable" because an African proletariat was emerging<sup>107</sup>.

After World War II a number of factors, including the rising demand for raw materials, increased the demands placed on Rhodesia from outside. The government exploited these demands further to promote economic growth. The African proletariat grew and the class structure altered to become dominated by a class of manufacturing capitalists. As a result the institutional framework of the thirties was altered. A new ideology arose which sought to promote interracial competition within the economy and the creation of an African middle class. These attempted reforms failed because they



set up "centrifugal reactions" which resulted in the seizure of power by white workers, the national capitalists and the petty bourgeoisie, all rallying round the Rhodesia Front Party<sup>108</sup>. The empirical evidence Arrighi presents validates the Marxist hypothesis concerning the interdependence between the economic base and the superstructure.

Barrington Moore Jnr. points to this same interdependence in Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World. Moore traces "three main historical routes from the preindustrial to the modern world"<sup>109</sup> the "democratic", "fascist", and "communist" routes. His major concern is to demonstrate how and why industrialisation has resulted in these different social and political institutional forms. Very briefly, he finds his answer in the nature of the relationships between the classes that promoted industrialisation and, in particular, the relationship of the urban bourgeoisie with the rural classes. In the development of liberal democracy, he maintains, there was a strong commercial impulse among the rural aristocracy which resulted in the elimination of the peasantry and an alliance between the rural bourgeoisie and a stronger urban bourgeoisie<sup>110</sup>. When the impulse toward commercialisation is weak, the structure of peasant society is not altered much and the urban bourgeoisie is weak. Under these circumstances the industrialisation has led to communism<sup>111</sup>. The fascist route takes place on the basis of an alliance between a weak (but not as weak as in the communist route) urban bourgeoisie and a politically powerful rural landed élite<sup>112</sup>. Admittedly, this is a highly simplistic account of Moore's work. He makes a number of complex qualifications which lend subtlety to his important work. However, the main point is that he successfully analyzes the progression of various societies in class terms. His analysis bears important lessons for the examination of similar processes in other societies.

Some of the distinctive features of neo-Marxist theories of development and underdevelopment thus include an emphasis on totality, history, economics, violence, the nation and nationalism, and classes, particularly the peasantry. In the following chapter the writer will attempt to show that a

general neo-Marxist framework, which takes into account many of the abovementioned distinctive features, can be fruitfully applied to an analysis of development and underdevelopment in South Africa.

"Underdevelopment as it is encountered today....is a product of history. It is not the primeval condition of man, nor is it merely a way of describing the economic status of 'traditional' society. Underdevelopment is part of a process; indeed, it is part of the same process which produced development".

(Griffin, K.B., Underdevelopment in Spanish America, p.48.)

### CHAPTER THREE.

#### A NEO-MARXIST APPROACH TO DEVELOPMENT AND UNDERDEVELOPMENT IN SOUTH AFRICA.

As is evident from the previous chapter, neo-Marxist approaches to development and underdevelopment operate on two major levels: that of analysis and that of prescription. The two levels are, of course, inseparable; what one derives from an analysis of a situation determines one's view as to how that society can be changed (or maintained). However, in the brief analysis which follows, the writer attempts only to analyse development and underdevelopment in South Africa without making any prescriptive suggestions. Conclusions about the prescriptions to which this analysis leads are left to the reader.

It is the writer's contention that the application of a neo-Marxist framework to the study of development and underdevelopment in South Africa<sup>1</sup> will reveal that underdevelopment of the rural African areas (and, indeed, development in South Africa) is primarily a function of violent, capitalist "labour repression"<sup>2</sup>. This view conflicts with the "conventional wisdom" of liberal South African historiography where underdevelopment is regarded as a consequence of the "failure" of African agriculture.

The works of Macmillan, Marais, and de Kiewiet provide the most widely accepted explanation of the "failure" of African agriculture. They emphasise the disruptive nature of white rule, the destruction of the traditional economy and social order and, in particular, the impact of sudden land shortage:

"European contact soon broke down the self-contained character of tribal economic existence....traders as well as missionaries threw upon the tribes a burden their subsistence economy could not bear. The burden was rendered all the more unsupportable by the sudden shrinking in native resources caused by the extensive European encroachments upon their land....and by wars and cattle disease"<sup>3</sup>.

De Kiewiet stresses that "at an early date the native tribes were suffering from the hardships of too little land to a much greater degree than is usually conceded"<sup>4</sup>:

"Without land for all in the tribe, one of the cornerstones of tribal life had been wrenched away. The tendency towards an unequal division of land weakened the communal organisation of the tribe without really producing a system of private ownership"<sup>5</sup>.

The frailty of the African subsistence economy which was dissolved by the cash nexus was, however, largely owing to the "unscientific and wasteful"<sup>6</sup> agriculture and the "ignorance and neglect"<sup>7</sup> of "native life"<sup>8</sup>.

The works of D. Hobart Houghton have a slightly different emphasis, largely owing to his theoretical insistence on the dual nature of the South African economy. According to Houghton, "far-sighted administrators", "many missionaries", and, "agricultural demonstrators" "were acutely conscious of the inadequacy of tribal farming practice"<sup>9</sup>. But because of the deeply rooted flaws in the nature of African society, Africans failed to adapt their economy to novel conditions.

"In spite of deep thought and heroic effort agricultural conditions continued to deteriorate. Failure to effect significant change in agricultural methods should not be attributed to lack of zeal on the part of a noble band of dedicated workers, but must be explained in other ways.

The explanation would appear to be that the African peasants have failed to adapt their farming practice to modern requirements. General conservatism, the system of land tenure, and certain social customs, like ukolobolo, combine to perpetuate obsolete methods of farming in spite of the visual evidence of modern methods applied at agricultural schools in the reserves and by adjacent white farmers"<sup>10</sup>.

The approaches of de Kiewiet and Houghton and the liberal tradition of South African historiography emphasise the fundamental, inherent weakness of the traditional economy and the inability of Africans to adapt that economy or to give it up in favour of the market economy. This tradition fails to mention or underestimates the significance of an early period of prosperity in what are now the reserve areas, followed only later by conditions of underdevelopment. Although Monica Wilson<sup>11</sup> and Colin Bundy<sup>12</sup> have drawn attention to this phenomenon only relatively recently, it was recognised much

earlier by writers such as H.M. Robertson<sup>13</sup> and Sheila van der Horst<sup>14</sup>. Robertson writes of the Africans' "fairly rapid adjustment to new circumstances"<sup>15</sup>, and referring to the Fingos, he writes that "though they entered the Colony comparatively rich in cattle, from the beginning (they) entered the service of the farmers and....soon became the chief economic power among the Bantu tribes"<sup>16</sup>, and, "Certainly they did their best to conform to the new economic conditions. Not only did they sell their labour to European farmers; they improved their agriculture and indulged more and more in trade, by which they acquired European implements"<sup>17</sup>. Sheila van der Horst writes that:

"There is fairly convincing evidence that trade in Native produce increased in response to the more favourable terms on which they could dispose of their produce... (The 'Natives') produced wool, angora hair, hides, horns, goat and sheep skins, tobacco and cattle, valued at three-quarters of a million (pounds), and exchanged what they did not consume"<sup>18</sup>.

In her relatively recent account, Monica Wilson emphasises this early period of prosperity:

"Some early communities, using ploughs and leading water for irrigation, were indeed successful in producing grain over and above their needs... Some men also began to breed sheep for wool... They sold the surplus grain and wool, together with skins, to buy the clothes which converts were required to wear, and the ploughs and harrows which were the farmer's tools. These successes were achieved both in Coloured and African communities, and on mission stations...where different groups mingled"<sup>19</sup>.

Colin Bundy, in a paper entitled: "The Emergence and Decline of a South African Peasantry", makes some valuable suggestions about the history of African agriculture in South Africa, and particularly about the response by African peasants to economic changes in the late nineteenth century. He argues that African agriculturalists responded much more positively to market opportunities than is generally assumed. He demonstrates that after the "initial shock of collision"<sup>20</sup> between colonists and African farmer-pastoralists, the Africans made considerable adaptations and, in the areas where the contact between colonists and the Africans was greatest, a peasantry



emerged which attempted to meet some of its requirements through participation in the produce market. The imperial and colonial authorities, the missionaries and settlers, were initially quite favourable towards this participation because firstly it benefitted general economic activity and secondly the peasants provided a buffer against hostile tribes. As John Philip, the early British missionary, pointed out:

"By locating them on a particular place, getting them to build houses, enclose gardens, cultivate corn land, accumulate property, and by increasing their artificial wants, you increase their dependency on the Colony, and multiply the bonds of union and number of securities for the preservation of peace"<sup>21</sup>.

Bundy argues further that the Africans preferred an adapted form of the traditional subsistence methods to wage labour on white colonists' terms: "African peasants displayed a tenacious preference for a life that drew subsistence from a family plot rather than from wage labour at low levels of remuneration"<sup>22</sup>.

As mentioned above, it is the writer's contention that the subsequent "failure" of this favourable response is primarily a consequence of White capitalist labour repression. In support of this view I shall examine the historical and contemporary nature of capitalist labour repression in South Africa, focusing on its implications for economic development and underdevelopment.

We may distinguish four phases in the history of capitalist labour repression in South Africa, viz. commercial agriculture, diamond and gold mining, manufacturing industry in the English-speaking sector, and Afrikaner financial and industrial capitalism<sup>23</sup>. Of course, each phase overlaps others, but in each phase a different group is the primary beneficiary. In this analysis capitalism is regarded as a mode of production and not, as Frank would have it, as an economic system<sup>24</sup>. South African history shows the emerging dominance, initially through British imperialism and then through internal capitalist development, of the capitalist mode of production,

".....a mode of production in which the fundamental economic relationship through which the surplus product is extracted is that of the sale by the direct labourers, who do not own the means of production, of their labour-power to the owners of the means of production, who are non-labourers"<sup>25</sup>,

or, in other words, a mode of production in which surplus-value is appropriated and in which ownership of the means of production is separated from ownership of labour: "it is that (which) permits the transformation of labour-power into a commodity, and with this the birth of the wage-relation"<sup>26</sup>. This is not to argue that as capitalism developed in South Africa, different modes of production did not exist simultaneously<sup>27</sup>. Indeed, this analysis attempts to emphasise the fact that during the early phases of capitalist development in South Africa a viable peasantry existed whose decline was only brought on by later stages of capitalist development. It is, however, true that by 1920 the capitalist sector had succeeded in underdeveloping the African reserve areas to such an extent that it no longer presented a competitive threat to white farmers. The relations between the capitalist and non-capitalist sectors were thus entirely reduced to the provision by the non-capitalist sector of a supply of labour power to the capitalist sector.

In the pre-mining nineteenth century South Africa, the commercial farmers complained of an acute shortage of labour. The small amount of labour forthcoming in this period is often blamed on the Africans' lack of responsiveness to the opportunities created by cash wages, but, as Bundy points out, a significant part of this shortage was owing to "the preference of the land-based African for meeting the new wants by selling his produce, a preference reinforced by a resistance to qualitative change in his social relations"<sup>28</sup>. It is important to remember that after the formal demise of slavery all potential labourers had access to the means of production and, therefore, were not compelled by a shortage of land to enter into wage labour. However, military conquest between 1832 and 1879 diminished this access to the means of production. More importantly, numerous laws were enacted to compel and control a labour supply for white farmers and various fees and taxes were levied<sup>29</sup>. The white farmers also ensured an

increased labour supply by establishing quasi-feudal relations, which very often suited the white farmers because they were only minimally involved in market production. And in many cases it provided absentee landlords with a cash income while providing African squatters with a peasant existence. These labour-repressive devices may have brought great benefits to the white farmers but at the same time they initiated the decline of the African peasantry by undermining the productivity and profitability of African agriculture. In other words, they initiated underdevelopment in the rural African areas. Martin Legassick believes that in this period underdevelopment of the African areas was most pronounced in the Cape Colony and the southern Free State, less so in Natal and least of all in the Transvaal, an indication that it was "the exigencies of the developing commercial economy, rather than the promiscuous appropriation of land by white settlers which produced..... (underdevelopment)"<sup>30</sup>. Macmillan, de Kiewiet and van der Horst point out that overcrowding of African-owned areas was already evident in the Cape by the early 1860's, despite the northward drift of the African population. However, there is no indication of overcrowding in the Transvaal until the twentieth century<sup>31</sup>.

The discovery of minerals had a dual impact on the peasantry. On the one hand it stimulated peasant production and participation in the market economy. The peasantry made various innovations and diversified their activities. Bundy writes that there was:

"a virtual explosion of peasant economic activity. Five hundred waggons of corn were sold by Fingoland's peasants in 1873 as well as a wool crop worth £60,000; and in 1875 the trade of Fingoland 'at lowest computation' was adjudged to be worth £150,000. From Gaikaland, Gcalekaland, Tembuland and East Griqualand came similar reports: peasants were selling cattle in order to invest in sheep; the number of traders across the Kei trebled; African produce in 1875 was estimated to be worth £750,000. A single firm bought £58,000 worth of African produce, while a merchant's house in Port Elizabeth boasted an annual turnover of goods for the African trade of £200,000. New methods and resources rippled from tribe to tribe,

and even among the most 'backward' tribes crop diversification and wider cultivation were common by the 1880's"<sup>32</sup>.

This seizure of opportunities for gain and expansion resulted in the emergence of a group of relatively well-off African peasants and small commercial farmers. On the other hand, however, the discovery of minerals greatly intensified the pressures on the peasantry. It increased the needs of employers of African labour. More specifically, it increased the need for "wage-earners who were both cheap and skilled"<sup>33</sup>. There was a demand for labour not only on the gold mines but also on farms providing for the new internal market for food and materials used in mining (e.g. wattles), in construction, on railways and at harbours. At the same time white farmers were feeling threatened by the high level of African competition in the produce and land markets. As Legassick points out,

"The African farmer, cultivating with greater knowledge of the conditions, intensively on small holdings, willing to live more frugally perhaps, using the labour of kin rather than dependents, offered....an economic threat to some white farmers. Among the southern Tswana, in Basutoland, in the Eastern Cape, in the early days of Natal, in the Transvaal, Africans had responded rapidly to the growth of markets, and as the new markets became internal rather than predominantly export, the threat increased"<sup>34</sup>.

The threat of African competition and the demands for labour were met by an intensification of white political authority - the Location Acts of the Cape, the "anti-squatting" ordinances of the Free State and the Transvaal, and the Native Land Act of 1913, which prohibited the purchase by Africans of land in "white areas" and demarcated only thirteen percent of the country as Reserves. But a more important function of this act was that it reduced squatters and share-croppers to the level of labour tenants. Francis Wilson argues that the pressure for the Act came "from those who wished to ensure a cheap supply of labour by doing away with the system of farming-on-the-half"<sup>35</sup> ("Farming-on-the-half" was a form of share-cropping in which white proprietors supplied seed and land,

African peasants farmed and returns were shared). It is significant that the driving force behind this legislation was the large-scale commercial farmers and not, as is often assumed, small-scale Afrikaner farmers<sup>36</sup>. Indeed, the legislation was resented by the "Kaffir farmers", non-productive white landowners who leased land to Africans for cash or kind<sup>37</sup>. The overall effect of this and other legislation was declining peasant productivity and an increase in the supply of labour<sup>38</sup>, the results of serious land shortages. The legislation has thus contributed to the intensification of underdevelopment in the rural African areas.

Since "political mechanisms became of crucial importance in closing gaps between supply and demand"<sup>39</sup>, increased wages were no longer an equilibrating factor on the labour market. Under labour coercion real wages were kept permanently low on the mines<sup>40</sup>. The underdevelopment of their areas had forced Africans to accept low wages and these low wages in turn caused further underdevelopment since African miners have never been financially capable of making those capital investments in the Reserve areas that would increase productivity. Indeed, Bundy mentions the "almost total dearth of public or private investment"<sup>41</sup> in the peasant sector as being one of the reasons for its underdevelopment.

In order to understand more precisely the extent to which rural underdevelopment is a function of the low wages paid on the mines it is necessary to trace the position of the African worker in the history of the mining industry.

The first diamond prospectors were white farmers from Natal and the eastern Cape who transferred the conventions of labour relations on their farms to the diamond diggings. Other prospectors, many of whom came from outside South Africa, soon joined the original diggers and rapidly adopted their conventions. After a while, the geological and technological difficulties of mining excluded from prospecting those miners who did not have sufficient capital. The remaining large capitalists maintained a labour-repressive economy on the basis of the compound system. Stanley Trapido writes that



"The labour barracks first of Kimberley and then of the Witwatersrand might....be described as imposing a 'quasi-military' pattern of conduct upon African workers, whose freedom in the market is equally nominal. The establishment of diamond compounds in which Africans were imprisoned was originally justified as a means of preventing diamond thefts, but if the Kimberley compound system came into being for this reason it soon became apparent that the system had other advantages. African workers often lost two working days in the week because they were able to buy cheap and highly potent alcohol. Moreover, long and arduous hours spent in unpleasant work places meant that many workers broke their contracts and returned to their rural homes or found other work. The compound system perpetuated a form of labour misleadingly defined as migrant. African miners.....move continually throughout their working life between their rural families and their all-male mining barracks"<sup>42</sup>.

Apart from being superior for purposes of control, the compounds were, of course, far cheaper than any other form of housing.

Trapido believes that until 1932 labour repression on the mines was necessary for profitability<sup>43</sup>. Because of the static price of gold and the peculiar mining difficulties encountered on the Witwatersrand, mine-owners had to keep their production costs low if they were to make profits<sup>44</sup>. By the turn of the century the mines had agreed upon a maximum wages average. The real wages for Africans were now lower than they were in the early 1890's<sup>45</sup>. The formation of a monopsonistic labour recruiting organisation, W.N.L.A. (The Witwatersrand Native Labour Association) lowered the wages offered to African miners. This, in turn, resulted in a decrease in the number of Africans seeking work on the mines. This limited African bargaining power was broken by the introduction of indentured Chinese labour between 1904 and 1910<sup>46</sup>. Simultaneously, instruments of extra-economic coercion were used to manipulate the flow of labour. The pass laws in particular could force African labour into the least attractive sectors. When the importation of Chinese wage labour was arrested by political pressure, Africans were forced to return to the mines, to be paid even lower wages than before<sup>47</sup>.

From 1932-1962 the sterling price of gold rose twice and techniques of production improved enormously. Trapido explains that

"In 1898 shaft sinking at 100 feet a month was considered good progress. In 1960 the average rate of progress was 700 feet, and the record was almost double this depth. In 1917, when the first jackhammer drills were first introduced, six or seven holes per shift were drilled for placing explosives by the few machines available. Improvements and refinements have meant that forty holes can now be drilled per shift. Explosives have been improved, are made of cheaper ingredients, and are suitable for holes of very small diameter which reduce the effort of drilling. The scraper-winch, developed in the last thirty years, vastly increases the amount of ore which can be cleared after blasting. The rate of advance of drives (tunnels) has increased from two hundred feet sixty years ago to two thousand feet today. Paying ores can, therefore, be removed more rapidly and mines are able to make profits sooner, which bring quicker returns on capital"<sup>48</sup>.

Despite these advances which resulted in increased productivity and profitability for the mines, there was no real increase in wages. In fact, as Francis Wilson has shown, the monopolistic control of labour, the maximum average system, the pass laws/migrant labour/inhibition on permanent urbanisation of Africans<sup>49</sup> structure, the compound system and breach of contract provisions have kept the real wages of Blacks in the mining industry at approximately the same level for seventy years or more.

It is thus clear that the mining industry contributed (and still contributes) to the underdevelopment of the Reserve areas by intensifying labour repression. Harold Wolpe underlines this point:

"The capacity of the gold mines to secure cheap African labour was a product of the political and economic powerlessness of the unorganised African 'reservoir' of labour, both inside South Africa and in the external territories. This situation of the African population in the industrialising economy within South Africa was the outcome of military conquest, the introduction of a capitalist economy to a people no section of whom had wealth capable of being converted into capital, and the restriction of the predominantly rural African population engaged in subsistence farming to 13% of the land.

The confinement of subsistence farming, which involved extensive rotation of land, to a relatively small land area rendered it incapable of producing the subsistence needs of the population. In these circumstances, the intrusion of a money economy in the form of

manufactured consumer goods and the imposition of compulsory taxes provided the 'push' required to ensure the flow of rural Africans into the labour market. It only needed the recruiting organisations of the Chamber to channel this labour in the form of migrant, contract labour into the mines.

Thus, the underdevelopment and impoverishment of the African reserves was a condition of the development of the mining industry....<sup>50</sup>.

One must ask why the countrywide impoverishment of the peasantry did not lead to complete proletarianisation and to a complete polarisation in the African areas between landed and landless. Sure enough, the process was inhibited by the development of the segregation policy, predicated on the existence of Reserves (As the 1922 Stallard Commission stated, the African's purpose in the towns was only to minister to the needs of the white men). But if there were tremendous pressures at this time to deprive Africans of land and proletarianise them, why were the Reserves allowed to exist? There are a number of reasons. Firstly, the rural African areas had become so underdeveloped and the peasantry was so patently incapable of stimulating local development that an adequate labour supply for white farmers and mines was assured. Moreover, the peasants' involvement in migrant labour was self-perpetuating: "The peasant's increasing involvement in migrant labour depleted the intensity of economic activity in the peasant areas, thereby reproducing the necessity for more migrant labour"<sup>51</sup>. Secondly, for urban employers, the lack of complete proletarianisation meant the creation of a cheap, unorganised, rightless work force. The lack of organisation is an important factor since, as H.J. Simons has written, the challenge to "White man's rule" no longer came from chiefs, diviners, and impis, but

"from an urban proletariat, missionary-trained teachers and ministers, journalists, doctors, lawyers and clerks." The report of Lagden's inter-colonial commission of 1903-5 marked the big divide. With remarkable insight and understanding of the changing society, the commissioners exhibited new patterns of anxieties and tensions. It was not tribalism that troubled them, but urbanisation, competition for land, 'Ethiopianism' or the separatist church movement, the emergence of an African press and African political associations. A shift in values had taken place on both sides of the colour line before the end of the first decade of the century<sup>52</sup>.

The incomplete proletarianisation provided the urban employer with a rationalisation for paying low wages. As Wolpe points out,

".....if in determining the level of wages necessary for the subsistence of the migrant worker and his family, it is assumed that the family is supported from the product of agricultural production in the Reserves, it becomes possible to fix wages at the level of subsistence of the individual worker"<sup>53</sup>.

Arrighi has shown this to be the basis of cheap labour in Rhodesia. Proletarianisation of the peasantry, he argues, "would bring about the emergence of a black agrarian bourgeoisie bound to compete on the markets of produce and of factors of production". The answer was "lowering the opportunity cost of the peasantry....by progressively reducing its overall productivity"<sup>54</sup>. Moreover, says Wolpe, the social security role played by the African communities relieves the State of the necessity of expending resources on Africans:

"The interest of the capitalist sector in preserving the relations of the African familial communities is clear - if the network of reciprocal obligations between migrant and family were broken neither the agricultural product nor the social security 'services' of the African society would be available to the worker. It is no accident that the South African state has consistently taken measures, including the recognition of much of African law and custom, the recognition of and granting of powers to chiefs, the reservation of areas of land, etc., aimed at preserving the 'tribal' communities"<sup>55</sup>.

The restrictions on the urbanisation of Africans also had (and has) advantages for white workers and farmers: the white workers were protected as a labour élite and the white farmers were assured of a labour supply. Thus the incompleteness of African proletarianisation was functional for the accumulation of capital surpluses in the hands of white employers.

The demands of the mining industry led to the growth of support-industry for mining. There was a sharp increase in the manufacture of construction materials (cement, bricks, tiles, etc.) and explosives and engineering workshops were established, particularly on the Witwatersrand. Legassick writes that,

"By the 1920's African Explosives and Chemical Industries (AE & CI), jointly owned by the AAC and the British ICI was the largest industrial concern in the country, with the largest explosives plant in the world; here was a nucleus of a future fertiliser and chemicals industry"<sup>56</sup>.

Simultaneously, at the coast there was a gradual development of the late nineteenth century import-substitution industry. The manufacture of foodstuffs, tobacco, matches, textiles, and leather goods developed. After 1925 the support industries for mining and the final import-substitution industries (which were all highly labour-intensive) received a major boost from protective state tariffs. High duties on imported goods subsidised, in effect, the local manufacture of these goods. But the greatest impetus for the establishment of an industrial infrastructure came from the state. Before World War II the most important state contributions included the establishment in 1923 of ESCOM, which gradually displaced the private electricity corporation established by the mines, and in 1928 of ISCOR. The important point, however, is that the government was provided with the means of establishing an industrial infrastructure by immense revenues from gold mining. In other words, depression of African mine workers' wages is the basis of the development of secondary industry in South Africa.

Owing to the increasing underdevelopment of the Reserves, Africans had, in progressively larger numbers, particularly after 1910, moved to the towns. At this time many small firms were willing to pay slightly higher wages because to a certain limited extent a market existed and, because the number of their employees was small, extra wages were not crucial to their costs. Because the industrial and commercial sectors as a whole lacked "the monolithic structure of the mining industry and the social networks of agriculture"<sup>58</sup>, they were unable to put into effect a system of labour repression. Immediately before and after World War I Africans began to strike for higher wages, and in the 1920's the Industrial and Commercial Workers' Union (a powerful organisation of urban black workers and blacks on white-owned farms) emerged. But as Africans began to organise and to



exert urban bargaining power, the economically dominant mining interests and the politically influential farming interests allied in order to prevent a loss of labour to industry and commerce. They consolidated and rationalised the existing barriers against urbanisation, bringing about rigid state control of the entire African population<sup>59</sup>. Those Africans who did not "minister to the needs of the white population" or "to the legitimate needs of his fellows" were considered "redundant" and were excluded from the towns<sup>60</sup>. Organised labour repression was thus extended from the mining and farming sectors into secondary industry and commerce.

After World War II, economic growth, especially in the manufacturing sector, was vigorously fostered by the state in an attempt to increase the self-sufficiency of the economy. Actively encouraged by the state, Afrikaner capital entered industry in association with agriculture. Afrikaner capital which had mobilised Afrikaner savings in the 1930's<sup>61</sup>, began to diversify in the late 1950's and in the 1960's<sup>62</sup>. In 1963, for example, Federale Mynbou, with the help of Anglo-American<sup>63</sup>, achieved a controlling interest in General Mining. This is part of a trend by which Afrikaner capital was admitted to established foreign and local firms<sup>64</sup>. More recently, Afrikaner capital has been used in joint enterprises with foreign investors. During the 1960's American and Canadian interests, in conjunction with the state, South African mining houses, and other local capital, became heavily involved in processing South African non-gold minerals. The automobile industry, stimulated by a tariff-enforced "local content" government programme, was dramatically developed<sup>65</sup>.

The rise of secondary industry occasioned the extension of the migrant labour system. Trapido, however, believes that by 1945 labour repression was no longer necessary for profitability<sup>66</sup>. Indeed, the Smit Report, the Fagan Commission, and the Hofmeyr wing of the United Party urged that a more stable work force be created<sup>67</sup>. However, the Nationalist Party's 1948 electoral victory made any such change impossible since their electoral support came from the agricultural sector which depended on reservoirs of cheap labour, government subsidies and loans. In addition, the Nationalists had the electoral

support of the urbanised and urbanising Afrikaner population which relied for its well-being on the colour-bar in industry. Moreover, a small group of entrepreneurs, drawn from the Afrikaner nationalist élite, indirectly benefitted from a labour-repressive economy because of their close ties with the prosperous sectors of agriculture. It was thus unthinkable for the Nationalists to dismantle the labour-repressive economy. The existing mechanisms of extra-economic coercion were in fact strengthened and rationalised within the framework of apartheid ideology. The regulation of urban entry on a migrant basis for the needs of industry was tightened by the creation of a system of labour bureaux (eventually situated in the reserve areas themselves) which assign prospective workers to a particular industry or employer. During the 1960's the vested urban status of many Africans was nullified. "Unproductive" people (the elderly, the disabled, women and children) were, and are being, forcibly removed to the Reserves, now called "Bantustans". At the same time substantial numbers of Africans began to be forced off white farms. Such control over workers and non-workers meant that African urbanisation, stimulated by the ever-declining productivity of the Reserves, could take place without the "danger" of creating even greater overcrowding of Africans in the industrial growth points. Moreover, "the regulation by extra-economic means of a supply of labour at a near constant wage....was a tool for fostering mechanisation of industry, as a substitute for the upwards pressure of wages in the cyclical situation described by Marx"<sup>68</sup>.

A novel aspect of the latest phase of labour repression is the creation of "border industries", which seeks to divert industrial development to the borders of the Bantustans<sup>69</sup>. But rather than becoming the economically developed regions pictured in apartheid ideology, the Bantustans continue to serve the border industries as reservoirs of cheap labour. Indeed, government wage determinations for industries in the border areas have tended to recommend wages lower than elsewhere and sometimes lower than those actually being paid at the time. The labour relations which exist in the urban areas are maintained, if not intensified, and white capitalists continue to extract enormous surpluses from a totally disadvantaged African work force.

It is thus clear that labour repression in South Africa has been, and is, functional for economic growth. Capitalist economic development was, in the second half of the nineteenth century, stimulated by labour repression in commercial farming. Labour repression in farming and mining facilitated primitive capital accumulation. As manufacturing industries replaced mining and agriculture as the largest contributors to the national income, labour repression was intensified to ensure that all white sectors could benefit from the exploitation of labour. Capitalist development in South Africa has thus taken place at the expense of the great majority of the population. Contrary to what is generally believed, it is capitalist development in general and labour repression in particular that have given rise to the contemporary status of the rural African population, "that of sub-subsistence rural dwellers, manifestly unable to support themselves by agriculture, and dependent for survival upon wages earned in 'white' industrial regions or on 'white' farms"<sup>70</sup>. Therefore, those explanations of underdevelopment which rest upon the inadequacy of the underdeveloped sector are incorrectly premised. It is essential that we discard the conventional wisdom of de Kiewiet, Marais, and Macmillan, and critically analyze the real cause of underdevelopment in South Africa - the capitalist system itself.

## NOTES.

### INTRODUCTION.

1. See Foster-Carter, A., "Neo-Marxist Approaches to Development and Underdevelopment", in de Kadt, E. and Williams, G., Sociology and Development, p.67. Although Foster-Carter presents a reasonably good introduction to neo-Marxist approaches to development and underdevelopment, his conception of the relationship between neo-Marxism and traditional Marxism is, I believe, inadequate.
2. See Marx, "Letter to Meyer and Vogt", in Selsam, H., Goldway, D., and Martel, H., Dynamics of Social Change: A Reader in Marxist Social Science, pp135-137; Marx, "Letter to Dr. Kugelman", in *ibid*, pp137-138.
3. On the meaning of "development" and "underdevelopment" in neo-Marxism, see, for example, Rodney, W., How Europe Underdeveloped Africa, pp9-39; Baran, P., The Political Economy of Growth, esp Chs.5-8; Brett, E.A., Colonialism and Underdevelopment in East Africa, pp1-34; Amin, S., "Development and Structural Change: The African Experience, 1950-1970" Journal of International Affairs, 24, 2, (1970) pp203-223. (Amin distinguishes between 'outward-looking growth' and 'development'. Development, he says, demands essential structural changes and must be 'inward-looking' and 'self-initiated' '.....outward-orientated development is not development but the development of underdevelopment'. Outward-looking growth is necessarily 'unequal, chaotic and regularly blocked', 'is incapable of avoiding repeated misfirings of attempts to get off the ground', and does not occur quickly enough to prevent the gap between rich and poor nations from widening).

## CHAPTER ONE.

1. Marx, K., "The British Rule in India", in Tucker, R.C., (ed) The Marx-Engels Reader, p582
2. Marx. Preface to "A Contribution to the Critique of Political Economy", in Tucker, op.cit. p5
3. ibid.
4. For a different view, see Lichtheim, G., "Marx and the Asiatic Mode of Production" in Bottomore, T.B., (ed) Karl Marx, p151
5. Marx. A Contribution to the Critique of Political Economy, trans. Stone, N.I., p29.
6. Marx. Capital, vol I, ed. Engels, and trans. Moore, S., and Aveling, E., p91
7. See Carrère d'Encausse, H., and Schram, S.R., Marxism and Asia, p8. For a different view, see Lichtheim, op.cit., pp152-153
8. The Zemindars were "new big landowners who were established by the British from among former tax-collectors and merchant-usurers, through the expropriation of the Indian peasantry. The Zemindar system was widespread in Northeast India" (Tucker, op.cit., p584n.)
9. Ryotwar was "a system of renting land to peasants for an unlimited period of time. Introduced by the British in the South of India, it permitted the British authorities to let land to peasants on extremely onerous terms" (ibid.).
10. Marx. "The Future Results of British Rule in India" in ibid., p584.
11. ibid., p586
12. Marx, cited in Kumar, K., "On Development and Futurology" in de Kadt, E., and Williams, G., Sociology and Development, p331.
13. Marx. "The Future Results of British Rule in India" in Tucker, op.cit., p583
14. See Lichtheim, op.cit., pp151-171
15. ibid., p156.
16. ibid.
17. Marx. Capital, vol II, Foreign Language Publishing House edition, p470.
18. ibid., Vol III, p321.
19. Marx (and Engels), "The Communist Manifesto", in Tucker, op.cit. pp338-339
20. "....the accumulation of capital presupposes surplus value; surplus value presupposes capitalistic production; capitalistic production presupposes the pre-existence of considerable masses of capital and labour power in the hands of producers of commodities. The whole movement, therefore, seems to turn in a vicious circle, out of which we can only get by supposing a primitive accumulation...preceding capitalistic accumulation;



an accumulation not the result of the capitalist mode of production but its starting point". (Marx, "Capital", in Tucker, op.cit., p311).

21. Marx, "The British Rule in India", in *ibid.*, p578.
22. Marx, "The Future Results of British Rule in India", in *ibid.*, p587.
23. *ibid.*, p584. The influence of Hegel's master-serf dialectic is evident here.
24. Marx, "The German Ideology", in Tucker, op.cit., p149
25. Marx (and Engels), "The Communist Manifesto" in *ibid.*, p339
26. See Marx, The Poverty of Philosophy, Foreign Language Publishing House edition, p133.
27. Marx and Engels, On Ireland, p319
28. Marx, "The Future Results of British Rule in India", in Tucker, op.cit., p586
29. Kemp, T., Theories of Imperialism, p19.
30. Marx, cited in *ibid.*, pp19-20.
31. *ibid.*, p20
32. Marx, "The Future Results of British Rule in India", in Tucker, op.cit., pp587-588
33. Marx, "The German Ideology", in *ibid.*, p126.
34. Marx, cited in Avineri, S., The Social and Political Thought of Karl Marx, p167n.
35. Marx, "The British Rule in India", in Tucker, op.cit., p582
36. Marx, "Letter to Meyer and Vogt" in Selsam, H., Goldway, D., and Martel, H., (eds), Dynamics of Social Change: A Reader in Marxist Social Science, p137
37. Shanin, T., (on Marxist approaches to the peasantry) "Peasantry as a Political Factor", in Shanin, T., (ed), Peasants and Peasant Society, p252.
38. Marx, "The Communist Manifesto" in Tucker, op.cit., p339
39. Marx, "The Class Struggles in France 1848-1850" in Shanin, op.cit., p229.
40. See Carrère d'Encausse and Schram, op.cit., p13
41. Marx, "The Eighteenth Brumaire of Louis Bonaparte" in Tucker, op.cit., p519
42. *ibid.*, p472
43. *ibid.*, pp515-516.
44. Marx, "The Eighteenth Brumaire of Louis Bonaparte", second edition, in Carrère d'Encausse and Schram, op.cit., p123.
45. The Eighteenth Brumaire of Louis Bonaparte was published for the first time in 1852 and for the second time in 1869.
46. Plekhanov, cited in Shanin, op.cit., p251.
47. Plekhanov, cited in *ibid.*, p239.
48. Kritsman, cited in *ibid.*, p251

49. Gorky, M., "On the Russian Peasantry", in Shanin, op.cit., p371
50. ibid., pp369-370.
51. ibid., p370.
52. ibid., p371
53. Trotsky, L., in Deutscher, I., (ed) The Age of Permanent Revolution: A Trotsky Anthology. p244.
54. Nove, A., An Economic History of the U.S.S.R., p128
55. See Preobrazhensky, E., "The New Economics" in Shanin, op.cit., pp219-226
56. See Marx, in Tucker, op.cit., pp311-315
57. Preobrazhensky, E., "The New Economics" in Shanin, op.cit., p223.
58. ibid.
59. Engels, F., "On Social Relations in Russia", in Tucker, op.cit., p599
60. ibid., p596
61. ibid.
62. Lenin. V.I., "Democracy and Populism in China", in Carrère d'Encausse and Schram, op.cit., p138
63. Engels, F., "Class Collaboration in Dependent Countries, on the Basis of the Polish Example", in ibid., pp121-122.
64. Luxemburg, R., "The Crisis of Social Democracy" in ibid., pp143-144. The Crisis of Social Democracy, written in 1916, was a reply to Lenin's On the Right of Nations to Self-Determination (1914), which will be discussed below. However, Luxemburg's ideas on the subjects were formulated and expressed long before she wrote this pamphlet.
65. See "Colonial Policy at the International Socialist Congress of Amsterdam (14-20 August 1904)", in Carrère d'Encausse and Schram, op.cit., pp125-133.
66. Lenin, Selected Works, Vol I, p616
67. Lenin, "Theses on Socialist Revolution and the Right of Nations to Self-Determination", in Carrère d'Encausse and Schram, op.cit., pp139-140.
68. ibid., p139
69. Lenin, "Imperialism, the Highest Stage of Capitalism" in ibid., p141
70. Hobson, J.A., Imperialism, p283
71. ibid., p69
72. ibid., p282
73. ibid., p229
74. ibid.
75. Lenin, Imperialism, the Highest Stage of Capitalism, pp57-58.
76. Lenin's work on imperialism was very much influenced by Hilferding, an Austrian Marxist.
77. Lenin, cited in Kemp, op.cit., p75

78. Lenin, cited in *ibid.*, p78
79. Lenin, "Better Fewer, but Better" in Connor, J.E., Lenin on Politics and Revolution, p373
80. Lenin, Imperialism: The Highest Stage of Capitalism, p110
81. Cf. Foster-Carter, op.cit., p73
82. Because of the restraints of censorship, Lenin did not explicitly write this. But the implications are clear. See the preface to the 1917 edition of Imperialism: The Highest Stage of Capitalism, where Lenin refers to the Tsarist censorship and the need to make the book theoretical and economic. In 1923 Lenin explicitly justified revolution in the "countries of the East" even when the conditions were not quite the usual ones. (See 'Our Revolution' in Connor, op.cit., pp360-363, and 'Better Fewer, but Better' in *ibid.*, pp364-375).
83. Lenin, "Better Fewer, but Better", in Connor, op.cit., p374
84. The idea of a "labour aristocracy" was originally postulated by Engels to explain the question of the quietism of the British workers made possible by colonial profits. However, Engels did not pursue this idea, whereas Lenin did.
85. Lenin, in Carrère d'Encausse and Schram, op.cit., p135
86. Trotsky, L., cited in Deutscher, I., "Leon Trotsky as a Historian and a Sociologist of Revolution" in Simirenko, A., (ed) Soviet Sociology: Historical Antecedents and Current Appraisal, p153
87. Gramsci, A., "Notes on Italian History" in Hoare, Q., and Smith, G.N., (eds) Selections from the Prison Notebooks, pp70-71
88. Roy, M.N., in Carrère d'Encausse and Schram, op.cit., pp191-192
89. Cited in *ibid.*, pp197-198
90. Ho Chi Minh, in *ibid.*, pp199-200.
91. Sultan Galiev, cited in *ibid.*, p36.
92. See *ibid.*

## CHAPTER TWO.

1. The word "bourgeois" is used here not in a sloganising sense but in a purely Marxist sense, meaning "pertaining to capitalist society".
2. von der Mehden, A., and Young, C., Issues of Political Development, p3.
3. See, for example, Lerner, D., The Passing of Traditional Society; Rostow, W.W., The Stages of Economic Growth; and, Almond, G., and Coleman, J.S. (eds), The Politics of Developing Areas.
4. Almond and Coleman, op.cit., p16
5. Eisenstadt, S.N., Modernization: Protest and Change, p1.
6. Parsons, T., "A Functional Theory of Change" in Etzioni, A., and E., (eds) Social Change, p84
7. Brett, E.A., Colonialism and Underdevelopment in East Africa, pp4-5.
8. See, for example, Whitaker, C.S., "A Dysrhythmic Process of Political Change", World Politics, 19,2 (Jan 1967) pp190-217.
9. Brett, op.cit., p5
10. See, for example, Magubane, B., "A Critical Look at the Indices Used in the Study of Social Change in Colonial Africa", Current Anthropology, 12, no 4-5 (Oct-Dec, 1971) pp419-445, and "Pluralism and Conflict Situations in Africa: A New Look", African Social Research, 7 June 1969, pp529-554; Mohan, J., "A Whig Interpretation of African Nationalism", Journal of Modern African Studies, 6, 3, (Oct 1968) pp389-409; Staniland, M., "The Rhetoric of Centre-Periphery Relations", Journal of Modern African Studies, 8, 4 (Dec 1970) pp617-636; Legassick, M., "Review of L. Kuper and M.G. Smith 'Pluralism in Africa'", Economic Development and Cultural Change, 19, 4 (July 1971) pp673-680; Huntington, S.P., "The Change to Change: Modernization, Development and Politics", Comparative Politics, 3, 3, (1971), pp 283-322.
11. Frank, A.G., "The Sociology of Development and Underdevelopment of Sociology" in Frank, Latin America: Underdevelopment or Revolution, pp21-94
12. In the index method "the general features of a developed economy are abstracted as an ideal type and then contrasted with the equally ideal typical features of a poor economy and society. In this mode, development is viewed as the transformation of one type into the other". The diffusionist approach is "the acculturation view of the process of development. The West....diffuses knowledge, skills, organisation, values, technology and capital to a poor nation, until over time, its society, culture and personnel become variants of that which made the Atlantic community economically successful". The psychological approach "is the analysis of the process as it is now going on in the so-called underdeveloped nations. This approach leads to a smaller scale hypothesis, to a prospective rather than retrospective view of social change, to a full accounting of the political, social and cultural context of development....". (Nash, M., cited in Frank, op.cit., p22)

13. Frank, op.cit., p77
14. As Peter Waterman points out, "While much of this criticism (of conventional Western approaches) is well-informed, original, and likely to impress adversaries, there is considerable danger here of repetition and sterility. If the horse is dying, does it really need such a flogging? Various thoughts of Marx come to mind here: that outdated theories are defeated not so much by the attacks of opponents as by the increasing irrelevance of the questions they ask and answers they provide; that what is important is to recognise the truth of false ideology, to pick out what is of value in the position of an opponent, even when this opponent is the whole thought of the past". (Waterman, P., 'On Radicalism in African Studies', Politics and Society, Spring 1973, pp268-269).
15. Lukács, G., History and Class Consciousness, p8.
16. Baran, P., The Political Economy of Growth, p134
17. Magdoff, H., "Is Imperialism Really Necessary?", Part I, Monthly Review, 22, 6, (Nov, 1970) p9.
18. ibid., p11
19. Jallée, P., The Pillage of the Third World, p114.
20. Frank, "The Development of Underdevelopment" in Frank, Latin America: Underdevelopment or Revolution, p6.
21. ibid.
22. ibid., p9
23. ibid., pp6-7.
24. de Kadt, E., Introduction to de Kadt, E and Williams, G., Sociology and Development, p2
25. Frank, op.cit., pp3-4
26. ibid., p4
27. The Iberian Peninsula was affected by the Spanish Depression of the 17th century, the Napoleonic Wars at the beginning of the 19th century, the Depression of the 1930's, and the two World Wars.
28. Frank, Capitalism and Underdevelopment in Latin America, p148
29. Frank, "The Development of Underdevelopment" in Latin America: Underdevelopment or Revolution, p7
30. ibid., p9
31. Laclau, E., "Feudalism and Capitalism in Latin America", New Left Review, no 67, (May-June, 1971) pp19-38.
32. See also Genovese, E.D., The World the Slaveholders Made, pp60-63, and In Red and Black, pp385-386.
33. Laclau, op.cit., p27
34. ibid., p30.
35. See especially Frank, "The Development of Underdevelopment" in Latin America: Underdevelopment or Revolution.
36. Frank, "The Development of Underdevelopment", in Latin America: Underdevelopment or Revolution, p5
37. Laclau, op.cit., p22



38. Arrighi, G., "The Relationship Between the Colonial and Class Structures: A Critique of A.G. Frank's Theory of Development and Underdevelopment", unpublished paper, United Nations African Institute for Economic Development and Planning, Dakar, (October 1971), p2.
39. Magdoff notes that some historians refer to international economics and politics in the last seventy to ninety years as "modern" or "new" imperialism, to distinguish it from the stage of empire-building. (See Magdoff, "Is Imperialism Really Necessary?", Part I, p6).
40. Of course, this does not mean that all non-Marxists see aid in the former way.
41. Jallée, op.cit., p97
42. ibid., p83
43. ibid., p60
44. This term is used by Rostow in his stage theory of modernisation. He distinguishes between the "traditional" society, the pre-conditions for "take-off", the "take-off" and sustained economic progress. (See Rostow, op.cit.)
45. Kennedy, cited in Jallée, op.cit., p69
46. In general, little reference is made by neo-Marxists to aid given by socialist countries, e.g. USSR and China. Some imply that a structure similar to Frank's metropolis-satellite model exists between the more developed socialist states and the countries to whom they give aid, whereas others imply that although there may be ideological motivations behind the aid, it does function as an equilibrating mechanism.
47. Hensman, C.P., Rich against Poor, p269
48. Magdoff, "Is Imperialism Really Necessary?", Part I, p4.
49. Magdoff, "Economic Myths and Imperialism", Monthly Review, 23, 7, (Dec.1971) p1.
50. Magdoff, "Is Imperialism Really Necessary?", Part I. p2.
51. ibid., p3
52. ibid.
53. ibid., p6.
54. Magdoff, "Is Imperialism Really Necessary?" Part II, p.5
55. ibid., p6
56. Hervé, C., Frères du Monde, Bordeaux, on dustjacket of Jallée, op.cit.
57. ibid., p97.
58. ibid., pp97-98
59. ibid., p100
60. Lenin, cited in ibid., p103.
61. ibid., p104.
62. ibid., p108
63. Emmanuel, A., "White-Settler Colonialism and the Myth of Investment Imperialism", New Left Review, no 73, (May-June 1972, pp35-37.

64. *ibid.*, p49.
65. *ibid.*
66. Li's chauvinism is very evident in the following passage:  
 "....it can be seen how important it is to give our attention to the preparations of our Chinese nation for its participation in the class war against the other nations of the world. Everyone, or almost everyone, considers that the contribution of our Chinese nation to the world is ancient and great, but impotent. Today I would like to ask you a question. Is it condemned finally to continuing on in this old and great impotence without being able to revive once more? No! Since the movement of May 4th we have already become conscious of the motives of national resurrection. But I want to ask another question: All things considered, is this nation capable of coming to life again? The critical moment has come, everything depends on how we fight, and on the efforts we make! If we can see to it that a new culture and new blood are injected into our nation day after day, then it will be the moment of a true renewal and a true resurrection..... We must all advance courageously with all our force, we must once again appear on the stage of nations to display our national characteristics, we must once again in the history of our nation and in the history of the world clearly manifest our national spirit!" (Li Ta-chao, 'The Racial Question' in Carrère d'Encausse and Schram, *op.cit.*, p222).
67. Li Ta-chao, "The October Revolution and the Chinese People", in *ibid.*, pp215-216.
68. Li Ta-chao, "The Racial Question" in *ibid.*, p220
69. Marx, "Revolution in China and in Europe", in *ibid.*, pp119-121.
70. Li Ta-chao, "Marx's Point of View regarding the Chinese National Revolution" in *ibid.*, p224.
71. Notice the overtones of Hegel's master-serf dialectic.
72. Fanon, F., *op.cit.*, p247
73. *ibid.*, p210
74. *ibid.*, pp212-213.
75. *ibid.*, p214.
76. *ibid.*, p216
77. National independence is not the end of the road for Fanon. As Peter Worsley, with reference to Fanon, points out, "If....(national independence) is not accompanied by social transformation, all that happens is the installation of a national bourgeoisie whose 'nationalism' simply consists of substituting themselves in office, not in the total break-up and replacement of the system of government as part of a wider social revolution. This kind of nationalism is devoid both of positive social content internally, and devoid, too, of any wider external content, since it leads to the failure of regional, continental, or wider co-operation, and the consequent re-emergence of chauvinistic boundary disputes, tribalism and federalism. (For Fanon, of course, the only valid political aggregations wider than the nation are the continental unity of Africa and the constellation of non-aligned underdeveloped countries)". (Worsley, P., "Revolutionary Theories", *Monthly Review*, 21, 1, May 1969, p37).

78. Cabral, A., Revolution in Guinea, p92
79. *ibid.*, p102.
80. *ibid.*
81. Of course, within the nation certain classes play a greater role than others - the concept of class in neo-Marxism will be discussed towards the end of this chapter.
82. Lichtheim, G., Imperialism, p169.
83. see Moore, B., Social Origins of Dictatorship and Democracy, esp. pp3-39.
84. *ibid.*, p20.
85. *ibid.*, p505.
86. *ibid.*
87. Moore discusses India as a society which experiences underdevelopment as a result of her failure to revolt. In this sense, Moore's analysis is close to that of Frank and others who predict continued underdevelopment for those societies which fail to break their ties with capitalist exploitation.
88. Moore, op.cit., p506
89. *ibid.*, p505.
90. Cabral, op.cit., p107.
91. *ibid.*, pp107-108.
92. *ibid.*, p107.
93. See Fanon, op.cit., esp. pp35-106.
94. See also, for example, Debray, R., "Problems of Revolutionary Strategy in Latin America", New Left Review, no 45, (Sept-Oct, 1965), pp8-41; Castro, F., "Waves of the Future", in Horowitz, I.L., de Castro, J., and Gerass, J., (eds), Latin American Radicalism, pp543-579; Guevara, C., "Message to the Tricontinental" in *ibid.*, pp607-620.
95. Debray, op.cit., p51.
96. The Leninist character of Debray's thought is very evident here. In fact, this comment by Debray is a renovation of 1917 Bolshevik strategy when the state apparatus was destroyed and socialism introduced on a simple programme of "Bread, Land and Peace". Castro's 1958 programme was similar.
97. Debray, op.cit., p34.
98. Cabral, op.cit., p105.
99. *ibid.*, p110
100. *ibid.*, p105.
101. We must remember that Marx had labelled the lumpenproletariat a "dangerous class", "social scum", and a "passively rotting mass". (Marx, Selected Works, p44).
102. Fanon, op.cit., p108.
103. See, for example, Shanin, op.cit., Wolf, E.R., Peasants.
104. See Arrighi, op.cit.
105. Frank, Capitalism and Underdevelopment in Latin America, p15

106. Arrighi, G., The Political Economy of Rhodesia.
107. See *ibid.*, esp.pp28-35.
108. See *ibid.*, esp.pp53-59.
109. Moore, op.cit., p.xv.
110. See *ibid.*, esp.pp3-161, pp413-432.
111. See *ibid.*, esp.pp162-227, pp453-483.

## CHAPTER THREE.

1. A complete analysis of development and underdevelopment in South Africa would have to take into account South Africa's position in the world economy. This analysis, however, focuses only on South Africa as defined by its geographical boundaries.
2. Industrialisation under conditions of labour repression has been discussed by Barrington Moore: "There are certain forms of capitalist transformation in the countryside that may succeed economically, in the sense of yielding good profits, but which are for fairly obvious reasons unfavourable to the growth of free institutions of the nineteenth-century Western variety. Though these forms shade into each other, it is easy to distinguish two general types. A landed upper class may, as in Japan, maintain intact the pre-existing peasant society, introducing just enough changes to ensure that the peasants generate a sufficient surplus that it can appropriate and market at a profit. Or a landed upper class may devise wholly new social arrangements along the lines of plantation slavery. Straightforward slavery in modern times is likely to be the creation of a class of colonising intruders into tropical areas. In parts of eastern Europe, however, indigenous nobilities were able to reintroduce serfdom, which reattached the peasants to the soil in ways that produced somewhat similar results. This was a halfway form between the two others.

Both the system of maintaining peasant society intact but squeezing more out of it and the use of servile or semi-servile labour on large units of cultivation require strong political methods to extract the surplus, keep the labour force in its place, and in general make the system work. Not all these methods are of course political in the narrow sense. Particularly where the peasant society is preserved, there are all sorts of attempts to use traditional relationships and attitudes as the basis of the landlord's position. Since these political methods have important consequences, it will be helpful to give them a name. Economists distinguish between labour-intensive and capital-intensive types of agriculture, depending on whether the system uses large amounts of labour or capital. It may also be helpful to speak of labour-repressive systems, of which slavery is but an extreme type. The difficulty with such a notion is that one may legitimately ask precisely what type has not been labour-repressive. The distinction I am trying to suggest is one between the use of political mechanisms (using the term 'political' broadly as just indicated) on the one hand and reliance on the labour market, on the other hand, to ensure an adequate labour force for working the soil and the creation of an agricultural surplus for consumption by other classes". (Moore, op.cit., pp433-434).

3. de Kiewiet, C.W., "Social and Economic Developments in Native Tribal Life" in Walker, E.A., (ed), The Cambridge History of the British Empire", vol VIII, p819.
4. ibid., p811.
5. ibid., p812.
6. de Kiewiet, C.W., The Imperial Factor in South Africa, p150
7. de Kiewiet, C.W., A History of South Africa, p197



8. *ibid.*
9. Houghton, D.H., The South African Economy, p70.
10. *ibid.*, pp70-71.
11. Wilson, M., "The Growth of Peasant Communities", in Wilson, M., and Thompson, L., (eds), The Oxford History of South Africa, vol II, esp. p55.
12. Bundy, C., "The Emergence and Decline of a South African Peasantry" in African Affairs, 71, 285 (Oct, 1972) pp369-388
13. Robertson, H.M., "150 Years of Economic Contact between Black and White", South African Journal of Economics, 2, 4, (1934), and 3, 1, (1935), pp403-425 and 3-25 respectively.
14. van der Horst, S.T., Native Labour in South Africa, esp. pp103-105.
15. Robertson, op.cit., S.A. Journal of Economics, 2,4,p406.
16. *ibid.*, p411
17. *ibid.*, pp417-418.
18. van der Horst, op.cit., p104
19. Wilson, M., op.cit., p55
20. Bundy, op.cit., p371
21. Philip, cited in *ibid.*, p373
22. *ibid.*, p371
23. These four phases are discerned by Trapido, S., "South Africa in a Comparative Study of Industrialisation", Journal of Development Studies, 7,3, (April 71) p313.
24. Laclau distinguishes between capitalism as a "mode of production" and capitalism as an "economic system": "We understand by 'mode of production' an integrated complex of social productive forces and relations linked to a determinate type of ownership of the means of production...". "An 'economic system', on the other hand, designates the mutual relations between the different sectors of the economy, or between different productive units, whether on a regional, national, or world scale.... An economic system can include, as constitutive elements, different modes of production - provided always that we define it as a whole...." (Laclau, op.cit., p33).
25. Wolpe, H., "Capitalism and Cheap Labour Power in South Africa: From Segregation to Apartheid", Economy and Society, 1,4, (1972) p6.
26. Laclau, op.cit., p34.
27. "An economic system can include, as constitutive elements, different modes of production - provided always that we define it as a whole...." (Laclau, op.cit., p33). Frank argues that, for at least two centuries, capitalist social relations have predominated in Latin America. Laclau, however, arguing that Frank's analysis depends too much on the process of exchange and too little upon a study of the underlying mode of production, argues that the latter can often be shown to be pre-capitalist up to recent times.
28. Bundy, op.cit., p375

29. The economic basis of these measures is discussed by Kloosterboer, W., Involuntary Labour Since the Abolition of Slavery.
30. Legassick, M., "Development and Underdevelopment in South Africa", Institute of Commonwealth Studies, unpublished seminar paper. That underdevelopment is owing to "the promiscuous appropriation of land by white settlers" is the argument of de Kiewiet and Macmillan.
31. On the topic of overcrowding, see Macmillan, Bantu, Boer and Briton, pp339-349; de Kiewiet, The Imperial Factor in South Africa, pp149-164; and British Colonial Policy, pp140-141, p169, p185; van der Horst, op.cit., pp22-24, pp108-109.
32. Bundy, op.cit., pp367-377
33. Legassick, M. "South Africa: Capital Accumulation and Violence", Economy and Society, 3,3, (August 1974) p264.
34. Legassick, M., "Development...etc.". See also van der Horst, op.cit., pp99-127; Plaatje, S., Native Life in South Africa, esp. pp150-158; de Kiewiet, The Imperial Factor in South Africa, p150; Brookes, E.H., The History of Native Policy in South Africa, pp406-407.
35. Wilson, D.F., "Farming, 1866-1966" in Wilson, M, and Thompson, L. (eds), The Oxford History of South Africa, vol II, p129
36. See, for example, Plaatje, op.cit., pp14-28, p81ff.
37. See, for example, van der Horst, op.cit., p112ff; de Kiewiet, The Imperial Factor in South Africa, pp156-161, pp192-193; Macmillan, Complex South Africa.
38. Until 1907 mine-owners drew 70% of their labour from ,outside South Africa. By 1932 they were drawing 75% of it from within South Africa, 42% from the Cape alone. (see table in van der Horst, op.cit., pp216-217)
39. Arrighi, G., "Labour Supplies in Historical Perspective: A Study of the Proletarianisation of the African Peasantry in Rhodesia", Journal of Development Studies, 6,3, April 1970, pp200-201.
40. See, for example, Bunting, B., The Rise of the South African Reich, pp513-514; Wilson, D.F., "Gold Wage Inquiry a Must", Financial Mail, (10 May 1968) and Labour in the South African Gold Mines 1911-1969.
41. Bundy, op.cit., p387. Bundy mentions two other factors leading to the decline of the peasantry: "the changing character of African involvement in the money economy" and the peasants "contractual inferiority" (ibid.)
42. Trapido, op.cit., p312. See also Doxey, G.V., The Industrial Colour Bar in South Africa, pp32-36, and cf. Hutt, W.H., The Economics of the Colour Bar, pp52-54.
43. Trapido, op.cit., p314.
44. See Asheron, A., "Race and Politics in South Africa", New Left Review, 53 Jan-Feb 1969, p61; van den Berghe, P., South Africa: a study in conflict, p107, pp192-196. Cf. Horwitz, R., The Political Economy of South Africa, pp339-345.
45. See for example, Wilson, D.F., "Gold Wage....etc"; and Labour in the South African Gold Mines 1911-1969.

46. Bundy, op.cit., p381. See, for example, Doxey, op.cit., p58, pp61-64.
47. Cf. Hutt, op.cit., pp47-49
48. Trapido, op.cit., pp314-315. See also Doxey, op.cit., pp41-43.
49. See above pp68-69.
50. Wolpe, H., "Class, Race and The Occupational Structure", University of London, Institute of Commonwealth Studies, Collected seminar papers on the societies of Southern Africa in the 19th and 20th centuries, (Oct 1970 - June 1971) no.12, Vol 2, p107.
51. Bundy, op.cit., p388.
52. Simons, H.J., African Women: Their Legal Status in South Africa, p42.
53. Wolpe, "Capitalism...etc", p9.
54. Arrighi, G., The Political Economy of Rhodesia, p28.
55. Wolpe, "Capitalism....etc", p12. See also Legassick, "South Africa: Capital Accumulation and Violence", p268.
56. Legassick, "South Africa: Capital Accumulation and Violence" p262.
57. Iscor was established by an Act of 1928 but only came into production in 1934. See Horwitz, op.cit., pp252-253
58. Trapido, op.cit., p316
59. Trapido reminds us that "State intervention in the free market was at first rationalised as being necessary for the supervision of public health and housing among urban Africans, but quickly went beyond the requirements of health and housing to impose upon urban African workers restrictive controls similar to those used in mining and agriculture" (Trapido, op.cit., p316).
60. From the Stallard Commission Report, 1922, cited in Legassick, M., "The Making of South African 'Native Policy', 1902-1923: The Origins of Segregation", Institute of Commonwealth Studies, unpublished seminar paper.
61. Having suffered discrimination from foreign and local sources of finance, Afrikaner capital developed its own financial institutions (Sanlam and Santam in 1918, Volkskas in 1934, Federale Volksbeleggings in 1939, etc.).
62. Trapido points out that "....the new Afrikaner élite often began its enterprises with less established or less accepted finances in one of the out-groups. Property speculation, in the decade after 1950 when building licences were required, provided an opportunity for Afrikaners with political connections. South African liquor laws, which regulate the retail sale of alcohol by limiting the number of licences for 'bottle stores' in proportion to the size of the White population in magisterial districts, also helped Afrikaners to accumulate capital: Afrikaners acquired the licences and non-Afrikaners provided the initial capital". (Trapido, op.cit., p317)
63. See Bunting, op.cit., pp390-392

64. See Trapido, S., "Political Institutions and Afrikaner Social Structures", American Political Science Review, 57 (1963), pp75-87; Patterson, S., The Last Trek, pp151-171; Hartmann, H., Enterprise and Politics in South Africa, pp61-66.
65. See Horwitz, op.cit., pp326-329, pp364-366; Norval, A.J. A Quarter of a Century of Industrial Progress in South Africa, p57.
66. Trapido, "South Africa in a Comparative....etc", p317.
67. A similar situation arose in Rhodesia. See Arrighi, The Political Economy of Rhodesia, esp.pp53-59.
68. Legassick, "South Africa: Capital Accumulation and Violence", p276.
69. More recently white capital investment has been allowed into the Bantustans themselves, but, for the most part, this has been mining investment. See Hutt, op.cit., pp139-150; Bunting, op.cit., p177, pp500-507.
70. Bundy, op.cit. p369.

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